FBIS DAILY REPORT

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CAPUTO DEPARTS FOR TALKS WITH FRENCH MINISTER

PY182153 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 18 Jul 85

[Text] Buenos Aires, 18 Jul (NA) -- According to diplomatic sources, Foreign Minister Dante Caputo will hold talks this weekend with his French counterpart, Roland Dumas, to develop an agenda in which the renegotiation of the Argentine debt with the Paris Club and the conflict with the United Kingdom over the Malvinas Islands stand out as the "most significant" questions. Caputo's trip -- the foreign minister is leaving at 1700 on a regular commercial flight -- was announced this morning in a communique issued by the Foreign Ministry. The communique stated that Caputo will discuss "issues related" to President Raul Alfonsin's upcoming official visit to France, to the signing of a forthcoming cooperation agreement between the two countries, to the foreign debt, to the United Nations General Assembly, and to the South Atlantic conflict. Regarding the South Atlantic conflict, the communique states that "it is permanently on Foreign Minister Caputo's agenda in his meetings with other foreign ministers and heads of state."

Reliable sources queried by NOTICIAS ARGENTINAS stated that from the agenda mentioned by the official communique, "the foreign debt and the Malvinas Islands issue were priority topics" adding that "they must not be separated, even though they suggest different areas."

The sources admitted that Caputo's trip came as "a surprise" because the foreign minister was to travel to La Pampa Province this weekend to particiapte in the closing of the Radical Civic Union political campaign in General Acha, but explained that the change took place because Dumas, at the last minute, reported that he was available for the interview. The source added that "the meeting had been agreed upon some weeks ago but without a fixed date and that it was the French foreign minister who last Tuesday announced the date on which the meeting could take place and even suggested that the meeting take place in his private home in southern France and not in Paris. The venue suggested by Dumas for holding the meeting is due to the recess imposed by the European summer season, the sources stated.

Regarding the importance of the Malvinas issue and the fact that the offical communique mentioned the next United Nations General Assembly, the source stated that "it obviously refers to the goal, which was not achieved in 1984, of having the EEC member countries support a resolution urging Argentina and the United Kingdom to resume negotiations on the South Atlantic dispute." In additon, the sources admitted that the meeting with Dumas "is, to a certain degree, an extension" of the meeting that Caputo held on 1 July with the Spanish Foreign Affairs Minister Fernando Moran during a brief visit Caputo made to Madrid. On that occasion, press reports, which were not denied, hinted that the Spanish Government had undertaken the task of achieving a rapprochement between London and Buenos Aires but the prospects for success became uncertain when, barely 48 hours after meeting with Caputo, Moran was removed form Felipe Gonzalez' cabinet. The sources added that "it is to be expected" that in the future Caputo will have more "contacts with European governments" on this issue and that "at this stage in Europe, the Malvinas issue is necessarily related to the renegotiation of Argentina's debt with the Paris Club."

Makes Statement

PY182225 Buenos Aires TELAM in Spanish 2119 GMT 18 Jul 85

[Text] Buenos Aires, 18 Jul (TELAM) -- Foreign Minister Dante Caputo said today that Argentina has adopted a position regarding the foreign debt and we have been implementing it since it was adopted 1 year ago in Cartagena. He added that we believe the foreign debt issue has political implications because it is still being treated as if it were the same as it was 15 years ago, but it is not.

Caputo made this statement at the Ezeiza International Airport minutes before leaving for France, where over the weekend he will meet with his French colleague, Roland Dumas. Caputo said that during their meeting, they will discuss President Alfonsin's scheduled visit to France, the Latin American regional situation, and the signing of a bilateral cooperation treaty, among other things. Caputo added that another issue on the agenda to be discussed with the French foreign minister is the next UN General Assembly when, once again, we plan to raise the Malvinas Islands issue.

Answering a question about the meeting on the foreign debt that has been called by Cuban President Fidel Castro, Caputo, who was accompanied by his chief adviser Alberto Ham, said he could not yet issue an opinion about the results of this meeting, but he added that we believe that the debt issue should be given new consideration, although this does not mean Castro's proposals must be accepted.

Asked whether the Havana summit is contrary to the Cartagena agreements, the Argentine foreign minister noted that Cartagena proposes treatment of the foreign debt, but underlying an implicit willingness to pay the debt. What must be redefined is the method of payment.

Answering a question about the repercussions of the British lifting the embargo on the sale of Argentine goods and the Argentine Foreign Ministry's answer in this regard, Caputo noted that at the international level it was accepted as a step toward rapprochement. He added that Argentina's response was basically well received by some of the most difficult sectors, such as the British press, which carried articles expressing a positive attitude toward Argentina.

FORMER POLICE CHIEF CRITICIZES GOVERNMENT

PY151717 Madrid EFE in Spanish 0116 GMT 13 Jul 85

[Text] Buenos Aires, 12 Jul (EFE) -- General Ramon Camps, former chief of the Buenos Aires Police, who is under arrest and awaiting trial for participating in repressive crimes, today stated that local Marxism is doing everything possible to gain an Al-Qadhdhafi (referring to the Libyan leader) in Alfonsin. These statements, which made an impact in local political circles, were made by Camps during an interview that was published in the 7 DIAS weekly magazine. He was interviewed in the Campo de Mayo military garrison.

Camps said that those who believe that we are living in a democracy are wrong, because this period is being used to develop the political stage of the revolutionary war. He also labeled the current trials of the former military junta members as *a* political mistake.

If Peronism had won the 1983 elections it would have not committed the terrible political mistake that the socialist government of Alfonsin is making, Camps said. Camps admitted to the Spanish press his responsibility in 5,000 cases of missing people. I do not trust the action of justice, he said, because it is incapable of counteracting the action of subversion.

Regarding his current situation (he is imprisoned for having committed serious violations of human rights), General Camps stated that war shows no mercy, and so he cannot expect it from his merciless enemy.

To justify his participation in the repression conducted by the former military regime (1976-83), Camps said that every soldier has to obey orders, including himself. Finally he said that today he considers his struggle to have ended, but he now has to fight on the territory to which the enemy (Marxist subversion), with the aid of this government, has taken him.

FORD WORKERS STAGE DEMONSTRATION, MEET OFFICIALS

PY190200 Buenos Aires Domestic Service in Spanish 2300 GMT 18 Jul 85

[Excerpt] Ford Company workers from the General Pacheco plant this afternoon held a demonstration in front of Government House. Delegates of the group of workers that occupied the Ford plant installations for 19 days met with presidential Under Secretary General Daniel (Larriqueta) and with Interior Minister Antonio Troccoli. Also during the afternoon, a group of about 600 gathered across from the Congress Building, where members of the factory's internal commission met with national legislators. After the meeting, Miguel Delfini, coordinator of the factory's internal commission, told the demonstrators that the legislators had promised to submit three bills to Congress. Two of these bills request the interpellation of Education and Justice Minister Carlos Alconada Aramburu and of Labor Minister Hugo Barrionuevo, while the third bill will request an end to court proceedings against the Ford General Pacheco plant workers. Later, the demonstrators went to Government House, where a group of labor leaders su tted a petition to President Alfonsin. Meanwhile, Judge Angel (Pappani), who is in charge of the case of the occupation of the F d Company plant, has denied rumors that preventive detention warrants would be issued against leaders of the plant's internal commission.

POSSIBLE CHRISTIAN DEMOCRAT-PERONIST ALLIANCE

PY180107 Buenos Aires BUENOS AIRES HERALD in English 17 Jul 85 p 11

[Text] (NA) -- The majority wing on the Christian Democrat Party's national board early yesterday morning overruled minority faction members and voted to replace the party's Federal Capital executive board and convention delegates. Opposition party members last night told the HERALD that the Humanism and Liberation wing led by national party Chairman Carlos Auyero and Deputy Augusto Conte "overruled all reasoning" and ordered the Federal Capital intervention during a marathon six-and-a-half hour meeting begun last Monday night. Auyero yesterday admitted the intervention was ordered "for a period of 30 days," after which party primaries will be held to elect candidates for the mid-term congressional polls. But the vice-chairman of the party's Federal Capital branch, Salvador Tropea, and branch delegate Jaime Barret told the HERALD that the national party in effect "overruled locally elected bodies" by ordering the intervention. Nine members of the national board voted for the intervention, one abstained, and seven walked out in protest, shouting "General Videla" at Auyero and Conte.

Auyero yesterday also admitted party talks with Rio Hondo Peronists to study the possibility of an alliance for the congressional polls. He is to hold a press conference at 4 pm today in order to explain the party's position on electoral alliances. And sources reported that Conte met with Rio Hondo Peronist fellow-Deputy Julio Barbaro during the Monday national board meeting.

FALSE BOMB THREAT DELAYS SPANISH PLANE

PY190144 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2241 GMT 18 Jul 85

[Text] Buenos Aires, 18 Jul (NA) -- The Iberia Airlines jumbo jet on which Adolfo Perez Esquivel, the 1980 Argentine Nobel Peace Prize winner, flew to Madrid today, was delayed for 2 hours on the tarmac at Ezeiza Airport until a bomb threat was proved to be false. The threat was received over the telephone at Ezeiza Airport while the Boeing 747 was in flight from Santiago's Pudahuel Airport to Buenos Aires, the only stopover of the Spanish airline's Flight 998 to Madrid. The plane landed at 1640 and took off at 1930, when the anonymous call was proven false.

BANZER PROPOSES ALLIANCE OF POLITICAL PARTIES

PY190153 La Paz Cadena Panamericana in Spanish 000 GMT 19 Jul 85

[Text] Hugo Banzer Suarez, presidential candidate for the Nationalist Democratic Action [ADN] has announced his willingness to form a political alliance in order to solve the country's political and moral cirisis. This announcement was made during a press conference today in Santa Cruz.

[Begin report] ADN presidential candidate General Hugo Banzer Suarez held a 25-minute press conference tonight. Banzer thanked his supporters for the votes he received in the 14 July elections. He said he is not going to disappoint the people who voted for ADN. During the press conference Banzer was asked about the possibility of an alliance of political parties in view of the fact that Congress will probably have to elect the president. Banzer said:

[Begin recording] [Words indistinct] to change the economic model [words indistinct] of selected men and women who are willing to support our program. [Words indistinct] we can negotiate, we can reach an agreement. But I would like to reiterate that the negotiation or agreement should not change the structure of our government program or our ideology. [end recording]

Banzer also said he is willing to reach a national agreement to overcome the country's problems. In this regard, he said that he is willing to talk with former President Victor Paz Estenssoro, who heads the the Nationalist Revolutionary Movement.

[Begin recording] I support all measures aimed at finding a true solution to the country's problems and overcoming the crisis, especially in the economic, social, and moral areas. [Words indistinct] to explain clearly that we fully agree on the need to reach a national agreement as long as the agreement [words indistinct] clearly explained to those who voted for us that the agreement is going to contribute to the salvation of the country. [end recording]

Gen Banzer went on to say that talks could also be held with political parties on the country's political situation. [end report]

PARTIES PROTEST ELECTORAL COURT'S ACTIONS

PY182202 La Paz Radio Illimani Network in Spanish 1700 GMT 18 Jul 85

[Excerpt] Seventeen of the 18 political parties that participated in the elections have issued a strong protest against the National Electoral Court. They said that the court's Solomonic solutions violated Bolivian electoral law.

The most important political parties, such as the Historic Nationalist Revolutionary Movement, the Nationalist Revolutionary Movement of the Left, and the Movement of the Revolutionary Left, have condemned the court's attitude and rejected the court's irregular conduct. They said that they have official delegates where the vote-count is taking place to guarantee respect for the votes of the people, which represent the people's sovereignty.

The Nationalist Democratic Action [ADN] took over the electoral registration offices in all districts of La Paz, forcing court officials to violate the law. The accusations against ADN point out that through pressure and bribery, the ADN illegally registered youngsters to vote.

During a meeting last night that lasted until early this morning, one of the parties strongly protested that the electoral fraud was orchestrated, quote, by the court itself, unquote. It was not specified whether the fraud involved the national or the departmental courts but it was reiterated that the election is null and void as a result of the many violations of the electoral law during the electoral process that began early this year and concluded with the elections.

Interior Minister Comments

PY190238 La Paz Cadena Panamericana in Spanish 0000 GMT 19 Jul 85

[Text] Interior Minister Gustavo Sanchez, who is also acting foreign minister, has stated that despite irregularities that are being observed in the vote tally, the government confirms that the outcome of the elections will be respected. He made these statements exclusively for Radio Panamericana.

[Begin recording] [Sanchez] Let us hope that the internal problems with the (?deputies) of the National Electoral Court are overcome. On the one hand, at the appropriate time, the executive branch disbursed all the funds requested by the National Electoral Court which has all the resources it can cope [words indistinct] for those who are asking for a salary increase. On the other hand, and this should answer the first part of your question, we gave sufficient warning that the elections would be (?hindered) owing precisely to the fraud that is now being proven, even in the polling places. It is too late. Had the purge occurred earlier nothing like this would have happened. This is a belated mea culpa on the part of the political parties and the National Electoral Court, of course.

[Reporter] How does the government feel about the issue of the vote-count, the election outcome, and what is actually happening in the country concerning the vote-count? What stand will it take? Will the government, no matter what, respect the outcome of the elections?

[Sanchez] The government has taken a very clear stand. The outcome of the elections conveys a sovereign decision by the people. The executive branch will respect the people's decision. [end recording]

The president of the Republic will hand over power to the president-elect on 6 August without fail. Gustavo Sanchez discounted the possibility of a coup in the event of an electoral deadlock.

[Begin recording] [Sanchez] The president of the Republic has announced, I repeat, that on 6 August he will step down.

[Reporter] Mr Minister, do any of the reports on the status of the nation refer to any type of subversive activity in the country? I am asking because some reports, some rumors have been heard in this regard.

[Sanchez] There are plenty of rumors but they are only rumors. I do not believe that any subversive coup will be successful. First of all, because [words indistinct] the Armed Forces have repeatedly stated through their leadership, their established leaders, that they do not seek to disturb Bolivian institutional, constitutional, and democratic activities. [end recording]

These were the statements by Interior Minister Gustavo Sanchez, who is also acting foreign minister. He added that the Siles Zuazo government will carry out its last tasks according to the laws in force in the country.

COB REJECTS GOVERNMENT SALARY HIKE PROPOSAL

PY182349 La Paz Cadena Panamericana in Spanish 1700 GMT 18 Jul 85

[Excerpts] The Bolivian Labor Federation [COB] is not satisfied with the 33-percent salary increase which the labor minister has ordered for both the public and private sectors. As is known, the 32-percent [as heard] increase has been ordered by the government as a compensation for the loss of purchasing power on the basis of the consumer price index. COB Secretary General Walter Delgadillo has made the following comment on the situation.

[Begin recording] The COB proposes that the automatic monthly increase should be 100 percent, taking into account the 10 main articles of the family food basket proposed by the government itself. We argue that the workers are consuming only these articles and no other products, because of reduced purchasing power. [end recording]

Walter Delgadillo has given the reason the COB is rejecting the salary increase recently ordered by the government: The COB terms the latest salary increase a new fraud against the workers.

CENTRAL BANK TO BE AUDITED; MANAGERS RELEASED

PY181623 La Paz Cadena Panamericana in Spanish 1130 GMT 18 Jul 85

[Text] Interior Minister Gustavo Sanchez Salazar said yesterday morning that Comptroller General Antonio Sanchez de Lozada has ordered the release of the Bolivian Central Bank managers who were detained at the request of the Comptroller General's Office. District Attorney Mario (Rivero Goyan) reported that according to an agreement between Comptroller General Sanchez de Lozada and prosecutor Edgar Gonzalez, who is in charge of the criminal prosecution of the seven Central Bank executives, the latter have been released. Attorney (Rivero Goyan) also explained that the Central Bank managers promised to allow the audit of the Central Bank, which was ordered by the Comptroller General's Office and the Supreme Court.

MINISTER ON BOLIVIAN SEA OUTLET, EASTER ISLAND

PY180308 Santiago Radio Chilena in Spanish 2330 GMT 17 Jul 85

[Text] Foreign Minister Jaime del Valle today said that the Uruguayan offer of a sea outlet for Bolivian products is advantageous and does not affect Chile. Here is a report on Del Valle's statement from journalist Jose Francisco Contreras:

[Begin report] Jaime del Valle today said that the Uruguayan offer of a sea outlet for Bolivian products does not affect Chile in any way. The minister also clarified China's position on Bolivia's claim for a Pacific outlet. Del Valle today referred to the Uruguayan offer to Bolivia to send its products through Uruguayan ports, saying the offer is advantageous for Bolivia and does not affect Chile.

With regard to China's support for the Bolivian claim of a sea outlet, Del Valle pointed out that the Chilean Embassy in Beijing and the PRC Embassy in Santiago have explained that the PRC believes the Bolivian aspiration for an outlet to the Pacific Ocean should be channeled through bilateral negotiations with Chile. Regarding the talks with Bolivia, Del Valle recalled that they were suspended and that Chile is waiting to learn the attitude of the new Bolivian president before resuming talks.

Jaime del Valle also referred to negotiations with the U.S. Government over the Mataveri Airport on Easter Island. The minister said there are three or four very complex points that are not essential but still important. He said these points have been submitted for consultation by the U.S. Embassy. The bilateral contacts will be resumed once Ambassador Theberge gets an answer from Washington. [end report]

CARABINERO KILLING SEEN AS PART OF 'CAMPAIGN'

Account of Shooting

PY170331 Santiago Radio Chilena in Spanish 2330 GMT 16 Jul 85

[Text] A presumed criminal today fired at a Carabinero traffic officer who was on duty at the corner of Alameda and Teatinos Streets. According to witnesses, the incident occurred at approximately 1900 when the subject was arrested by the Carabinero. As the policeman tried to handcuff him, the subject wrestled himself free and pulled a gun with which he shot the Carabinero. The subject then fled toward the north end of the city. The policeman was wounded in the head and was aided by employees of the pharmacy at the corner.

According to another account, four unidentified persons apparently wearing wigs shot the Carabinero of the 32 Traffic Police District. According to this unofficial report, the policeman received three shots in the abdomen and one in the head. Security personnel and the Carabineros are investigating the case at the intersection of Alameda and Teatinos Streets. Angelica Cabellos will now give us a report on the case:

[Begin recording] Police sources have just reported that a Carabinero died at about 1900 from gunshots fired by two extremists who had stolen a bus and burned it at the corner of Alameda and Amunategui Streets [as heard]. They left the policeman lying there. He has been identified as Raul Orellana Gutierrez of the 32d Traffic Police. We will be providing more information on this case as we receive it. [end recording]

Justice Minister Comments

PY181321 Santiago Radio Chilena in Spanish 2330 GMT 17 Jul 85

[Text] The government has warned that it will conduct an all-out war against terrorism. We are going to win the battle, said Justice Minister Hugo Rosende, who also strongly repudiated the killing of a policeman at the corner of Alameda and Amunategui Streets in this capital. The minister made this statement during a visit to the State Records and Identification Office on its 101st anniversary.

With regard to the killing of the policeman, the minister said that he deeply regretted this murder, that the important thing is to prevent the people from being manipulated through this case, and that the people should react strongly against violence from whatever source. He also said that the dead policeman left a family, a widow and children, and that this is really regrettable. He pointed out that the government will conduct an all-out war against terrorism and that the battle will be won.

Gen Mendoza Denounces Campaign

PY180338 Santiago Radio Chilena in Spanish 2330 GMT 17 Jul 85

[Excerpt] General Cesar Mendoza Duran, director of the Carabineros, has said the terrorist attack that killed policeman Raul Orellana is part of a violent campaign against this police organization.

Gen Mendoza regretted this event, pointing out that the necessary investigations are being carried out to find the people responsible for it. Gen Mendoza made this statement upon entering La Moneda Palace to attend a meeting of the junta members with President Augusto Pinochet. Gen Mendoza said that this campaign has been planned and announced for a long time and the killing of policeman Orellana one block from La Moneda proves that the campaign exists.

Carabineros Deputy Comments

PY181608 Santiago Domestic Service in Spanish 1100 GMT 18 Jul 85

[Text] Carabineros Deputy Director General Rodolfo Stange Oelckers on 17 Jul said the action in which Corporal Raul Orellana Gutierrez was killed was part of a very complex operation carried out by some 30 terrorists, who performed several diversionary maneuvers near Government House.

Even though he ruled out the possibility that the objective of the terrorists may have been to attack Government House, he admitted that groups have acted in perfect coordination close to La Moneda Palace.

Gen Stange added: According to our information, this operation seems to have had another objective. I can give no more details.

Asked whether the attack had anything to do with the president's leaving Government House 10 minutes later, he replied: No, I do not think so, because the president was going to take another street.

Gen Stange said categorically that those cowards must be found and arrested. This action does not mark the beginning of an urban guerrilla war; it reveals that there are well-trained groups operating in perfect coordination, he said.

PROCEDURAL REFORMS FOR CRIMINAL CASES INTRODUCED

PA170436 Bogota EL TIEMPO in Spanish 10 Jul 85 pp 1A, 7A

[Excerpt] Yesterday, the government introduced an important change in the administration of justice by ordering several legal procedural reforms. Among other things, warrants for arrest for persons who have committed crimes with a penalty of less than 2 years have been suspended. The new statute is particularly severe in cases of kidnapping, terrorism, extortion, and drug trafficking, the worst crimes scourging the country at present. The new reforms include an increase in bail, an amount previously equal to 100 days minimum salary has been raised to 200 days. In addition, an accused is entitled to a lawyer without appearing before a magistrate in person.

According to Justice Minister Enrique Parejo Gonzalez, the government wishes to empty the country's prisons, although warrants for arrest will continue to be used for serious crimes such as abduction.

At the end of the cabinet meeting, Parejo Gonzalez reported that the decree seeks to release those who have served 2 years in prison. He said that, although the ministry does not have the exact figure on the number of people who might be released, it is estimated to be about 3,000.

The minister also said that the decree bans the issuing of warrants for arrest for persons who have committed crimes whose minimum penalties are less than 2 years, with the exception of serious crimes such as kidnapping for ransom, extortion, terrorism, and drug trafficking.

The minister explained: "According to the decree, preventive detention has been established for those persons who have committed a crime whose minimum penalty is 2 years or longer, as well as for those who have committed economic crimes -- considered serious in the code and in Law 2920 of 1982 -- whose minimum penalties are less than 2 years."

The minister has reported that strict security measures will be implemented to combat activities that currently disturb social order, such as kidnapping for ransom, extortion, terrorism, drug trafficking, and some economic crimes. He said that, in cases of homicide, the magistrate can elect to issue the warrant for arrest. He pointed out that in some cases the lawyer or defendant will be required to file a petition, while in others the magistrate could proceed ex officio.

FARMERS QUESTION OIL FIRM PAYMENTS TO ELN

PA171542 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 16 Jul 85

[Text] Bogota -- The Colombian Farmers Association, SAC, has stated that the Arauca Department oil companies that are paying for guerrilla protection are contributing to the demoralization and deterioration of the nation's fundamental institutions. SAC President Carlos Osa Escobar wrote Energy Minister Ivan Duque Escobar asking that the government clarify its position on the reports of agreements between the oil companies and the rebels. The SAC indicated that although it has no concrete evidence of the oil companies' payments to guerrillas, farmers and cattle ranchers in Casanares have reported that the National Liberation Army [ELN] is receiving millions of dollars from said firms and that the helicopters used at the pipeline construction site have flown supplies to the rebels. We cannot understand or accept that companies that are reportedly investing in Colombia because they have full confidence in the country concur in actions of this nature, the SAC stated.

The SAC and its affiliate organizations support the peace process, based on the concept of support and strengthening of the constitutional authorities.

PRISON RIOTS END; HOSTAGES RELEASED UNHARMED

PY181654 Lima Cadena America Television in Spanish 0330 GMT 18 Jul 85

[Text] The rioting provoked by those accused of terrorism in the prisons of Lurigancho, El Fronton, and Barbara in Callao, has ended with the release unharmed of the seven hostages, six women and a man.

The solution was found today after 5 days of much tension, thanks to an agreement among the committee of the National Penitentiary Institute, representatives of the prisoners' relatives, and delegates from the rioters themselves. In El Fronton Prison, the prisoners handed over a submachine gun seized from a republican guard.

CUSCO STRIKE SPREADS TO FIVE DEPARTMENTS

PY181725 Lima Radio del Pacifico in Spanish 1300 GMT 18 Jul 85

[Text] The Departments of Cusco, Puno, Madre de Dios, Apurimac, and Arequipa halted their activities today in compliance with a regional work stoppage coordinated by the United Front for Defending the Interests of Cusco Department [FUDIC], which is headed by Cusco Mayor Daniel Estrada. This was revealed yesterday by reporters who arrived in this agitated city from the departments after the first day of the 48-hour work stoppage called by the Cusco Regional Transport Workers Association, which has stopped activities in this department, including the railroad.

Today, 18 July, the transportation workers will continue their strike and will also join the 24-hour strike called by the FUDIC. The strike by state transportation workers, civil construction workers, and railroad workers, has been supported by the Cusco departmental workers, by the drivers association, the departmental peasants federation, the bank employees, the United Market workers, by the Peruvian State Electric Power Enterprise, the National Telecommunications Enterprise of Peru, and by the Sole Trade Union of Education Workers, which is beginning the strike today.

Most Cusco stores have also closed their doors, while some groups have been circulating in the city carrying picket signs asking that their demands be met.

SHINING PATH'S GUZMAN MAY BE NEAR LIMA

PY182312 Paris AFP in Spanish 0307 GMT 18 Jul 85

[Text] Lima, 17 Jul (AFP) -- The official news agency ANDINA, citing investigations by members of the intelligence services, today revealed that Abimael Guzman, the elusive leader and founder of the Communist Party Shining Path [as received], has possibly found refuge in an area close to Lima.

The agency also reported, in the first official confirmation that has been disseminated on the possible whereabouts of the guerrilla leader, that the police are on the trail of Guzman, whom no one has ever been able to interview or see since Shining Path began its subversive activities 5 years ago in Peru.

Since that time, the whereabouts of Comrade Gonzalo, the name by which he is known to members of Shining Path, has been a mystery that neither the authorities nor the media, who have been seeking him, have been able to clear up.

The possibility that this time there are some indications as to his whereabouts was mentioned when it was announced that Shining Path guerrillas Felipe Caulla Sanchez, 29, Comrade Carlos, and Manuel Jesus Ponce Villegas, 26, Comrade Jaime, have been placed at the disposal of the courts. Both of them were arrested on 7 June 1985 on the outskirts of Chosica, located approximately 35 km east of Lima, when they were trying to destroy high-tension pylons with bombs. On that occasion there was a blackout in Lima, two car bombs exploded -- one of them in front of Government House while Argentine President Raul Alfonsin was participating in an official ceremony -- and a dozen supermarkets were set on fire in one of the terrorists' boldest actions.

According to the report, the two guerrillas confessed that on 7 June they had also planned to attack and destroy several offices of the American Revolutionary Popular Alliance Party which won the 14 April elections; police stations; and commercial establishments. During the police questioning, they also confessed that they were responsible for setting fire to 12 commercial establishments and the bomb attack against the Soviet Embassy and three banks.

The authorities have stated that Carlos and Jaime have also confessed that they are members of the military and political commands of a self-styled West Cell of the Shining Path that has its seat in the neighboring port of Callao. The cell is captained by two women known as Comrades Silvia and Elena.

Felipe Caulla stated that he is a student at El Callao Technical University and that Manuel Ponce is a student at San Marcos National University, according to the dossier that has been submitted to the Attorney General's office. The official report does not indicate whether these two persons revealed any information to the police on the whereabouts of Abimael Guzman.

POLICE RAID NARCOTICS GANG, NET 65 KG COCAINE

PY190053 Paris AFP in Spanish 1715 GMT 18 Jul 85

[Text] Lima, 18 Jul (AFP) -- The police reported today that approximately 65 kilos of basic cocaine paste, valued at more than $1 million, and modern weapons and munitions were confiscated by the Peruvian police after an armed confrontation with an international drug trafficking gang in Aucayacu, Huanuco, 420 km east of Lima. A patrol organized by the specialized police, with the support of a Rural Patrol Motorized Unit (Umopar), discovered Peruvians and Colombians illegally producing basic cocaine paste on a farm in Rio Azul de Magdalena, Aucayacu.

After long days of struggling through the jungle, the police surprised the drug traffickers. There was an extensive firefight that ended when the criminals fled into the densest part of the jungle, the source reported.

At the farm, the police found 65 kilos of green leaves packed in plastic bags ready for shipping to Colombia from a nearby clandestine airstrip. A large quantity of laboratory equipment, and a large number of long-range weapons, carbines, and shotguns was also confiscated.

The lack of economic resources and the high cost of modern radar equipment are the main obstacles that the Peruvian Air Force has in exercising effective control of the Amazon border areas and in trying to prevent the continuous entry of Colombian planes that engage in drug trafficking. This was said yesterday by Colonel Roberto Quevedo, commander of the Peruvian Air Force base in Iquitos.

The same source also reported that in Chiricciaco, Ayacucho, a detective patrol 12 days ago captured five drug traffickers, who in a lonely spot were macerating coca leaves. They were also building a clandestine airstrip. It has been indicated that the leader of the ring is Huaman Medina, a fugitive from justice hiding somewhere in Lima.

The Drug Police Directorate of the Civil Guard (DIPOD) 2 days ago discovered another cocaine production center in the Lurin shantytown on the outskirts of Lima, where they captured two persons who were in possession of 3 kilos of basic cocaine paste, a warehouse full of dried coca leaves, and leaves that were being macerated.

Observers have indicated that in the continuing struggle against drug trafficking, which is expanding in Peru, the police are discovering and breaking up bands of drug traffickers, but they reappear with improved organization and resources supplied by the Mafias of the consumer countries.

JOINT COMMAND ISSUES COMMUNIQUE ON POWER TRANSFER

PY181637 Lima Radio del Pacifico in Spanish 1300 GMT 18 Jul 85

[Text] The Armed Forces Joint Command has called upon the people to cooperate with the forces of order in the fulfillment of the security measures adopted to protect both the illustrious visitors and the people in general during the transfer of presidential powers that will take place on 28 July. The official communique No 007 of the Armed Forces Public Relations Department reads as follows:

To the citizenry:

The transfer of presidential powers that will take place on 28 July 1985 will bring to the country illustrious visitors including presidents, heads of state, vice presidents, special delegations, and representatives of friendly governments.

Our honorable situation compels all Peruvians to cooperate with the forces of order to comply with the security measures adopted to protect both the illustrious visitors and the people in general, in order to prevent acts that may tarnish or jeopardize the lives and properties of the citizens.

The people in general and the government institutions want the image of maturity and order that Peru projected to the world during the pope's visit to our country, and then during the 14 April elections, to be confirmed through the normal development of the ceremony marking the transfer of presidential powers, thus fulfilling the great hopes of the most representative sectors.

Lima, 17 July 1985

[Signed] Public Relations Department of the Armed Forces Joint Command

DELEGATION TO ATTEND CEREMONY IN NICARAGUA

PY181625 Lima Radio del Pacifico in Spanish 1300 GMT 18 Jul 85

[Text] Four Peruvian politicians will leave today for Nicaragua at the special invitation of the Nicaraguan Government.

They are: Manual Ulloa, chairman of the Senate; Alfonso Barrantes, Lima mayor and president of the United Left; Henry (Kuis), first councilman of the provincial council; and Gustavo (Mome), senator-elect for the United Left. The Nicaraguan ambassador to our country, Mauricio Cuadra, will accompany them.

These politicians will participate, as personal guests of Daniel Ortega's government, in the ceremony marking the anniversary of the Nicaraguan revolution. They are scheduled to return to Peru on Sunday.

NAVY SUCCESSFULLY LAUNCHES SECOND OTOMAT MISSILE

PY180204 Lima EL COMERCIO in Spanish 6 Jul 85 p A 8

[Excerpts] For the second time in the history of the Peruvian Navy, an Otomat MK 2 missile was successfully launched from the frigate Montero, which was on the high seas off Callao. The missile achieved a range of 124 km.

Since the operation was conducted beyond radar range, a helicopter, stationed 80 km from the frigate, used an electronic signal to help the missile home in on its target, which it hit.

This was the second missile of this type to be launched in Peru. The first one was launched in 1980 from the frigate Villavisencio and it achieved a range of 127 km, also hitting its target.

Exocet missiles have also been tested, but they only have a 40-km range. Two Exocets have been launched successfully, one in 1975 and another in 1984, and both hit their targets.

SOVIET ENTERPRISE PROMISES TO PAY FISH DEBT

PY182341 Lima Cadena America Television in Spanish 0330 GMT 18 Jul 85

[Text] The Soviet enterprise (?Sovfrakht) today promised to pay the fish debt contracted by its Peruvian representative, the Pacific Company, within 9 days. This was reported today by the Peruvian Enterprise for Fishing Services, which has also promised to lift the embargo imposed on the cargoes of two Soviet flag ships and a factory ship.

(?Sovfrakht) will have to unload in Peruvian ports 2.4 million kg of frozen fish, 350,000 kg of fishmeal, and 60,000 liters of fishoil and thus cover the debt contracted by the Pacific Company.

SANGUINETTI SPEAKS ON CONSTITUTION DAY

PY181835 Paris AFP in Spanish 1506 GMT 18 Jul 85

[Text] Montevideo, 18 Jul (AFP) -- President Julio Maria Sanguinetti today called upon all sectors of the country to show tolerance and prudence in order to prevent democracy from turning into a battlefield. In his speech on the occasion of the 155th anniversary of Uruguay's first Constitution, Sanguinetti also pledged the loyalty of the government and the Armed Forces to the nation's charter.

Sanguinetti recalled that Uruguay is currently emerging from 11 years of institutional abnormality and stressed that institutions must function, authority must be respected, and law must prevail. In this regard, he emphasized that it is not enough to declare love for independence, hail democracy, and advocate freedom, because in order to have all these qualities the citizenry must cooperate by obeying the laws and the Constitution.

Speaking about the labor upheaval the country is experiencing and issuing a warning to the trade unions, Sanguinetti stated that the government's respect for the rights of the people is to little avail if certain persons or groups of persons organize themselves to attain their own social and political objectives without regard for the rights of the rest of the people.

Sanguinetti went on to say that the majority that has democratically elected the current government must urge this government and the courts to enforce respect for these rights. Neither the government nor the courts can fail to heed these demands, because when law loses ground to shouts, stones, and insults the constitutional framework begins to fall apart.

After reviewing some of the accomplishments of the new administration during its first 5 months in power, the Uruguayan president stressed that the goal the government has set would have been hard enough under any circumstances and especially now that there is a shortage of funds and an economic crisis. No one can dispute, Sanguinetti said, that the country has been regaining an atmosphere of internal trust, which even the creditors recognize, and that there has been a significant improvement in the purchasing power of salaries. He added that no one can say that promises have not been fulfilled, nor can it be denied that an honest and unselfish effort is being made despite the widespread difficulties affecting the entire continent.

Sanguinetti asked all Uruguayans to stop and think, to do a bit of soul-searching about what each one had done for his country to overcome disagreements, to respect the rights of the others, to strengthen coexistence, and to help bring about an atmosphere of tolerance. The chief executive said that the Constitution is not someone else's business but one's own. It means respect, not shouting; it means joint efforts, not intolerance; and it is the only guarantee with which we will all be able to enjoy tranquillity or freedom.

Sanguinetti concluded by asking if we have the right to risk all that has been achieved and called for the strengthening of peace through the toil of the average citizen and the wisdom of the leaders.

BRIEFS

TAIWAN CREDIT -- The Government of Taiwan will grant Uruguay a $10-million credit to increase cereal production in the country. This credit will be made effective in August 1985, according to Taiwan Ambassador to Uruguay Konsig Shah. [Excerpt] [Montevideo El DIA in Spanish 21 Jun 85 p 9 PY]

EDUCATION UNDER SECRETARY -- Education and Culture Minister Adela Reta on 6 June installed Dr Julio Aguiar as the new education and culture under secretary. [Summary] [Montevideo El DIA in Spanish 7 Jun 85 p 7 PY]

PAN CHALLENGES ELECTORAL RESULTS IN NUEVO LEON

PA181255 Mexico City XEW Television Network in Spanish 1300 GMT 17 Jul 85

[Text] Pablo Emilio Madero, leader of the National Action Party [PAN], said the party will exhaust every legal means to challenge the irregularities in the electoral process. At a press conference, engineer Madero pointed out that the party was robbed, that during the elections in Nuevo Leon the registered voters list was artifically increased, that ballot boxes were stolen, and that a number of other fraudulent activities were carried out, such as using the names of voters registered in Nuevo Leon and Tamaulipas. Madero noted that the promise of honest elections was not fulfilled. He said that his party did not receive the lists of voters, its only means to back its charges.

He said that PAN had filed a complaint before the Supreme Court demanding the annulment of the decision of the Nuevo Leon electoral committee, which granted victory to the candidate of the PRI in the election for governor of that state.

POLITICAL PARTIES CRITICIZE ELECTION RESULTS

PA181244 Mexico City THE NEWS in English 15 Jul 85 p 4

[Text] Mexico's opposition parties across the political spectrum were critical of the election results announced Sunday, saying they do not reflect the actual vote.

The National Action Party (PAN) vowed to take its disputes to the Supreme Court, while one leftist party charged that the PAN was the most guilty of fraud.

Popular Socialist Party (PPS) Deputy Francisco Ortiz Mendoza called the elections a "complete fraud." There are powerful local economic, political and worker bosses who "impeded clean elections," he said.

Ortiz Mendoza said the conservative PAN was the chief culprit, though. He said the party employed fraud in areas it controlled and called for the annulling of all PAN votes cast. "The PAN was the only party that committed fraud," he said. "We have documents to show that in the church people were threatened with excommunication if they voted for the PRI, which is the worst fraud of all."

Ortiz Mendoza said his party would win between 15 and 20 deputy seats based on its proportion of the total vote.

The Revolutionary Workers Party, which fielded human rights activist Rosario de Ibarra as a candidate, assured its continued registration by obtaining 2.4 percent of the vote in 70 districts.

Luis Sanchez Aguilar, head of the Social Democratic Party (PSD), said the PRI committed a "scandalous fraud. The PRI is lying when they say they captured 70 percent of the vote," Sanchez Aguilar said.

The PSD called for annulling of the entire elections, saying there were violations of election law at 20 percent of the polling places. "In approximately 10,000 out of the 50,000 polling places there were violations," Sanchez Aguilar said.

There were six million false credentials issued, he charged.

Sanchez Aguilar said the fraud reached "alarming levels" in Sonora, Chihuahua, Baja California, Sinaloa, Coahuila, Nuevo Leon, and Puebla. The PSD, he said, is calling for opposition parties to resign from the Federal Electoral Commission and other electoral organizations.

"When there are session such as occurred yesterday, there is no democracy at all but a strictly totalitarian spirit," Sanchez Aguilar said, "They don't respect the vote of the parties."

Head of the conservative Authentic Mexican Revolutionary Party (PARM) Ignacio Gonzalez Gollaz also said the elections were not clean. "They were marred by theft of urns and expulsion of party representatives from the polling places."

Rafael Talamantes, head of the Socialist Workers Party (PST), said his party has become the fifth-strongest electoral force in the country, following the PRI, PAN, PSUM, and PMT.

KIDNAPPERS RELEASE PSUM'S MARTINEZ VERDUGO

PA182347 Madrid EFE in Spanish 2314 GMT 18 Jul 85

[By Alfonso Quezada Flores]

[Excerpt] Mexico City, 18 Jul (EFE) -- It was learned here this afternoon that Arnoldo Martinez Verdugo, presidential candidate in 1982 backed by the Unified Socialist Party of Mexico (PSUM), was released today "somewhere" in Mexico City. A PSUM spokesman said that Martinez Verdugo, former PSUM national leader, was released hours after his colleague Felix Bautista Macias was released. The two men were released after the PSUM paid a ransom of $281,000 demanded by the kidnappers who are members of the "Poor People's Party."

Bautista Macias was kidnapped on 22 February and Martinez Verdugo on 1 July. It is noteworthy that the two men were not harmed during their ordeal and both are in very good health.

GOVERNMENT, WORLD BANK SIGN CREDIT AGREEMENTS

FL181749 Mexico City NOTIMEX in Spanish 1605 GMT 17 Jul 85

[Excerpts] Mexico City, 17 Jul (NOTIMEX) -- The Mexican Government and the World Bank have signed four credit agreements totaling $493 million, which the financial organization has granted to this country, the Finance and Public Credit Secretariat (SHCP) has announced.

According to the SHCP, this money will be used to partially finance several agricultural and livestock development programs, to expand the rural road network in Chiapas (in the southeast), to modernize and expand the railroad infrastructure, and to foment training through the National School for Technical Professional Education (Conalep).

One of the credits received, for a total of $300 million, will be used to finance the 1985-88 railroad program, which calls for improving cargo capacity throughout the national territory and increasing the productivity of both personnel and equipment.

Another of the credit operations involves $81 million, which will be used to finance the second stage of the Conalep's 1985-88 technical training program.

NEW AMBASSADOR TO NICARAGUA LEAVES FOR POST

FL181202 Mexico City NOTIMEX in Spanish 2106 GMT 15 Jul 85

[Text] Jose Luis Lamadrid Sauza, new Mexican ambassador to Nicaragua, yesterday traveled to that Central American country. The diplomat is replacing Augusto Gomez Villanueva, who is already in Mexico.

Interviewed at Mexico City's airport, Lamadrid refused to make any comments and only said he will submit his credentials to the Nicaraguan Government today.

KUWAITI MINISTER ON DRASTIC OIL PRICE REDUCTIONS

FL181932 Mexico City NOTIMEX in Spanish 0240 GMT 18 Jul 85

[Excerpts] Mexico City, 17 Jul (NOTIMEX) -- Kuwaiti Oil Affairs Minister 'Ali al-Khalifah al-Adhbi al-Sabah said after meeting with Mexican President Miguel de la Madrid that a drastic oil price reduction would ruin the international financial system affecting both consumer and producers.

According to the Kuwaiti minister, Mexico has done its part, acting responsibly with regards to marketing, which it has done honestly, clearly, and without giving discounts. Unfortunately, he added, certain OPEC countries have not done the same. He added that OPEC wants to reach an agreement among members and nonmembers in order to avoid negative effects on the world economy, which affect both producers and consumers.

INTERVIEW WITH FORMER UN ENVOY AQUILINO BOYD

PA180430 Panama City QUIUBO GRAFICO in Spanish 12-19 Jul 85 p 3

[Interview with Aquilino Boyd, former Panamanian ambassador to the United Nations, by Joaquin Maizon of Televisora Nacional in Panama City; date not given]

[Text] [Maizon] Dr Boyd, why are you here in Panama when you have a high-level position at the United Nations?

[Boyd] I am here because within a month of having presented my credentials as the Panamanian ambassador to the United Nations, I have been dismissed, which greatly annoys me, as no serious government behaves this way.

[Maizon] In your judgment, who gave this order?

[Boyd] To recall briefly, the president called me on 31 December 1984 in Washington to tell me that he wanted to offer the Washington ambassadorship to a friend, and asked me to agree to serve as ambassador to the United Nations, which I did, saying that I would do the best I could. Later, during the cabinet crisis of 5 May, the president called me to offer me some other embassy so that the job as ambassador to the United Nations could be offered to another person. I thought this showed a lack of respect for me and said that it would be very damaging to Panama's image at that international organization, where so many battles have been fought and so many efforts have been made by distinguished Panamanians such as President Illueca, Carlos Ozores, and others whom I do not recall. I replied that I would not accept any position in his government, and that as soon as I had ended my vacation I would return to Panama, not to resign but to be dismissed. I am very annoyed because this government whose credibility and legitimacy is questioned by friends and enemies alike should not have acted in this manner, since I helped this government during the electoral campaign to the best of my ability.

[Maizon] Dr Boyd, what are your first impressions of the state of the country?

[Boyd] It is in very poor condition because the government is not functioning. The government has no credibility. It has a president whose legitimacy is questioned by even his closest friends, and because of this I would say that the forces that have a bearing on the country's events, like the students, workers, the church, businessmen, investors, bankers and politicians, are dissatisifed. It is a difficult situation. This is why when I resigned from the Liberal Party I called for national reconciliation because I believe we are going through times of grave economic crisis. We all know that the World Bank has imposed conditions involving new economic structures for Panama, and that the IMF also is imposing certain conditions in order to obtain refinancing of part of the foreign debt. I think it is better to tell the people the truth, and begin the process of rectification on the basis of a national reconciliation movement involving all Panamanians of goodwill.

[Maizon] What is the truth?

[Boyd] The truth is that the World Bank has established what some planning officials, mostly technocrats, are calling "structural adjustments." They are rather harsh conditions, which the people should be aware of. Also, the IMF made some suggestions that are going to mean great sacrifices for our people and I believe that this is the time for every effort to be made by all Panamanians without exception to see how we alleviate somewhat the difficulties of the unemployed and the underemployed, before taking more drastic measures along the lines of taxes and other burdens that in the long run will fall mostly on the poor.

[Maizon] What comment do you have regarding what was said about your resignation from the Liberal Party?

[Boyd] I consider that in the lives of peoples and politicians there are certain norms that must be rigidly followed. I believe that right now that we have to remain in a state of constant flux to confront critical situations, like those being experienced in Panama. Hence I, as a private citizen, would like to help to organize any movement that would create the harmony, consensus, and social peace in which Panamanians should live.

[Maizon] What do you think of the changes to the labor code at this time?

[Boyd] I believe that at this moment, instead of changes to the electoral code or the labor code -- the electoral code also needs them -- the labor code should be discussed and debated, especially by those that are most affected, like organized labor groups, such as the National Council of Organized Workers [Conato]. I do not believe that there should be attempts to present drafts at special sessions of the Legislative Assembly without first holding a thorough debate by those affected. I am convinced that this government has to win confidence to attract new investments to Panama and for Panamanians themselves to start investing in the country. This has to be won based on credibility, and this government, in my judgment, is not functioning properly in this regard. The first thing it has to do is win the confidence of the workers, and then see what changes can be made to the code in common agreement with those workers.

[Maizon] As for that confidence and credibility which you point out, the National Defense Forces play a predominant role in the country, what is your opinion on that subject, Dr Aquilino Boyd?

[Boyd] I have great respect for the ational Defense Forces, especially for my long-time friend General Manuel Antonio Noriega. I believe that in the final analysis, they will have to make decisions on national events because we already have spent a year trying out, through commissions and technocrats, possible solutions for the country's difficult economic, political and social crisis, and none of the solutions have been worth considering by the majority of the public. Knowing as I do how the National Defense Forces operate, I think they must be very worried. First, so far this year they have had to go out into the streets over six times to repress movements of discontent. Second, I do not see on the horizon any clear formula for a possible economic solution to the grave political and social crisis affecting this country.

[Maizon] Where do you believe the future lies for Panama?

[Boyd] In a national reconciliation movement in which all men of goodwill participate, to see how we can save the Panamanian nation.

BRIEFS

COCAINE TRAFFICKERS ARRESTED -- The antinarcotics special forces arrested U.S. citizen Pedro Luis Ortiz and Colombian citizen Jairo Castillo Llanos at the General Omar Torrijos Herrera International Airport at Panama City with 1,800 grams of cocaine, worth over $1.5 million in their possession. The traffickers, carrying liquid cocaine, were coming from Bogota and heading for New York. [Summary] [Panama City MATUTINO in Spanish 3 Jul 85 p 8 B PA]

BELIZE

POSSIBILITY OF LEAVING CARICOM DISCUSSED

FL182256 Bridgetown CANA in English 2203 GMT 18 Jul 85

[By Norris Hall]

[Text] Belmopan, Belize, July 18, CANA -- Belize, indicating dissatisfaction with what it is getting from being a member of the Caribbean Community (Caricom), says it will not treat payment of its bill to the community's shipping service as a priority. Belize's arrears with the West Indies Shipping Corporation (WISCO) total 302,000 dollars (one Belize dollar: 49 cents U.S.).

Prime Minister Manuel Esquivel said the English-speaking Central American state faced the debt even though not a single WISCO ship has ever visited Belize. He added: We will have to pay this bill as an obligation, but it will not be one of our priorities.

It was the second major hard-hitting ministerial statement on the community in recent weeks. Commerce Minister Eduardo Juan told parliament: ... Unless Belize sees some tangible benefits in the near future in belonging to the Caribbean Community, then we ought to pull out. Government officials here are dissatisfied with some of the arrangements governing trade in the community. They say that the benefits of trade with other Caricom states -- Belize has a visible trade surplus with the community -- are eroded by the tariffs Belize as a community member must impose on the large chunk of goods it needs to import from third countries. They have complained about protectionist policies in Caricom at a time when Belize and other Caricom countries have had to seek development aid from the International Monetary Fund (IMF), the United States Agency for International Development (U.S. AID) and other international donor agencies which tend to be opposed to protectionism, to bail them out of trouble.

Senior government officials said Esquivel had also spoken of the discomforting situation concerning what he considered further regional fragmentation reflected by establishment of a Caricom sub-grouping -- the Organization of Eastern Caribbean States (OECS). The OECS comprises seven small Caricom members -- Antigua and Barbuda, Montserrat, St Kitts and Nevis, St Vincent, Dominica, Grenada and St Lucia. What this means is that Belize, as one of the less developed countries of the region, has very few, if any alliances with the rest of the Caribbean Community, the officials said. We are like the charm on the bracelet but not the bracelet, Esquivel remarked.

Member countries of the community have spoken of the major role Belize has to play in the region, but the officials here said that it appeared to be only lip service. They said there were a number of sarcifices Belize had to make because of this community membership. Most of the consumer goods Belize imports -- from the United States and as far away as Europe -- are a lot cheaper than goods made in the community, the officials said.

However, the Belize Government has said it recognises that the Caricom market is a relatively large one and that if Belmopan can work out adequate and satisfactory marketing arrangements with the rest of the region it will do so. But regional trade problems have been compounded by the close down of the Caricom Multilateral Clearing Facility (CMCF) -- a credit arrangement -- after its U.S. 100 million dollar ceiling was reached.

The government here thinks the country can still become the bread basket of the Caribbean. However, it expects the More Developed Countries (MDC's) of the region to display a heightened interest in what is going on at the economic level in Belize. In essence, the MDC's as partners with Belmopan and the rest of the region, must recognise the potential of Belize to become a major contributor to the growth of the region and they must be prepared to participate actively in this country's development, a government spokesman said.

In a recent interview, Belize's high commissioner to London, Rudolph Castillo, said the country was committed to Caricom and keen on boosting trade ties with the grouping. My government is...very much committed to the rest of its Caricom trading partners, he said. We are interested in establishing even closer ties with the rest of the Caribbean and extending our trade with these countries.

TRADE DEFICIT NARROWS; PERFORMANCE UNCERTAIN

FL171522 Bridgetown CANA in English 2253 GMT 16 Jul 85

[Text] Belmopan, Belize, July 16, CANA -- Belize narrowed its trade deficit by 16 million dollars (one Bel doll: 49 cents U.S.) to 7.5 million in the first quarter of this year, but the prospects for the country's trade performance remained uncertain, according to the latest Central Bank review here.

The key sugar and citrus sectors, as did bananas, reflected performance improvements compared with 1984, though the 1985 sugar production target was revised downwards from 110,000 long tons to 102,500 tons. This reduction will have a beneficial effect on the average price received by cane farmers since, compared with last year, proportionately less sugar will be sold on the world sugar market where prices remain depressed, the bank said in its quarterly review. Output for the first three months of this year reached 72,927 long tons, compared with 62,419 tons in the 1984 first quarter.

The Central Bank said good quality cane and efficient factory performance paid off in a favourable tons-of-cane to tons-of-sugar ration of 9.49. For the same period last year, the extraction rate was 10.2. The Central Bank report said banana production for export in the first quarter totalled 102,000 forty-two pound boxes and valued at 1.2 million dollars, an improvement of 5.2 per cent or 6,000 boxes over the January-March period last year. Banana production has been fairly static over recent years, averaging a little over 500,000 boxes annually in the three years 1982 to 1984.

Nevertheless, the bank said, revenue from the sector experiences modest growth because of annual price increases negotiated with buyers of the UK -- the sole buyer. Thus export proceeds in the first quarter of 1985 are 91.7 per cent above those for the corresponding period of last year.

The garment sector, with production solely for export, continues to grow both in terms of value and volume. Production at 46,000 dozen pieces in the review quarter valued at 8.8 million dollars is 15 per cent above that for the last quarter of 1984. Looking at performance in the first quarter of last year, the bank said the garment sector registered an even more significant growth in the order of 43.1 and 48.4 per cent in terms of value and volume, respectively. The bank report said that expanding output in the garment sector is a direct reflection of increased demand in the United States, where over 90 per cent of exports are marketed.

Deseasonalised exports of sea food in the first quarter of 1985 at 296,000 pounds is 38,000 pounds, or 11.4 per cent lower than in the last quarter of 1984. Proceeds from marine exports, however, at 2.5 million dollars are little changed. The constant revenues, despite reduced production, reflect increased earnings from shrimp exports, the second highest-priced marine product after lobster, with the increased production from the newly operational shrimp farms, and the export of the catch from Honduran trawlers.

Making a comparison with the first quarter of 1984, marine export production shows a decline of 63,000 pounds or 17.5 per cent, reflecting a fall in lobster production occasioned by internal problems of one cooperative, which had an adverse effect on productivity this season, the bank said.

The Central Bank report said that there is a new sector challenging citrus as the economy's fastest growth sector. Foreign investment in the agricultural sector has produced a boom in the production of vegetables for export, primarily okras and cucumbers. After exports of small trial batches in 1984, export production really got off the ground this year. In the first quarter, production for export totalled 344,624 pounds.

Unfortunately, seemingly because of transfer-pricing practices employed by the local operators and their parent companies in Miami, export proceeds were only 23,700 dollars for the quarter, the report said. The bank said the local citrus industry continues to reap the benefits of the slowdown in the Florida citrus industry and preferential access to U.S. markets under the Caribbean Basin Initiative (CBI) programme, albeit at a declining rate. Production of citrus concentrate for export in the first quarter was 280,000 gallons valued at 6.3 million dollars. A decline in volume of 30.5 per cent was offset by an increase of 1.6 per cent in total revenue. Compared with the first quarter of 1984, revenues from citrus exports were up 54.7 per cent or 2.2 million dollars, and production higher by 30.8 per cent. The average price per gallon of citrus concentrate has jumped by 7.07 dollars from 15.31 dollars in the last quarter of 1984 to 22.38 dollars in the review quarter.

COSTA RICA

NO REPRESENTATIVE TO ATTEND NICARAGUAN ANNIVERSARY

PA190347 San Jose Radio Reloj in Spanish 0100 GMT 19 Jul 85

[Text] Costa Rica will not send a delegation to the Sandinist celebration. Not one single Costa Rican official delegate will attend the commemorative activities of the sixth anniversary of the beginning of the Sandinist regime tomorrow in Managua. Foreign Minister Carlos Jose Gutierrez said that not even Charge d'Affaires Carmen Rojas will attend those activities. When asked if former President Jose Figueres will attend the commemorative activities as roving ambassador, Foreign Minister Gutierrez said that he will not represent the government and that if he does attend the commemorative activities he will do so as a private citizen.

Gutierrez also said that Costa Rica does not share Guatemala's view of Nicaragua. Guatemalan Head of State General Oscar Mejia Victores' opinion of the Nicaraguan regime to the effect that Central America can live with a communist regime is not shared by the Costa Rican Government, said Gutierrez. He added that Gen Mejia Victores has a right to his opinion. Gutierrez asked: Who will guarantee that the communist government will respect the governments of neighboring countries? Later, he said that Mejia Victores' statement confirms Guatemala's policy to maintain friendly relations with Mexico and to be on good terms with the Sandinist government to obtain their support in its struggle against the guerrillas in Guatemala.

GUTIERREZ ON BORDER INCIDENT, REFUGEES

PA180440 San Jose Radio Impacto in Spanish 1830 GMT 17 Jul 85

[Text] The records on the case of Rigoberto Centeno, who according to allegations by residents of the area of the Penas Blancas border post was abducted by members of the Sandinist People's Army, have been sent to the Nicaraguan Foreign Ministry. [Words indistinct] Foreign Minister Carlos Jose Gutierrez, who noted that this problem must be solved. In addition, Gutierrez said that studies are under way to determine Costa Rica's possibilities of sending the case of Las Crucitas, where two Costa Rican civil guardsmen were killed, to the Hague International Court of Justice.

Regarding the meeting of the Contadora Group scheduled for next week, Gutierrez stated that this meeting will be at the foreign ministers level of the peacemaking group and, therefore, no representatives of the countries in the area will participate in it.

Gutierrez said this morning that there is a big difference between a political asylum seeker and a refugee. He made the statement after Nicaraguan citizen Jose Manuel Urbina Lara told the news media he has not received the support in Costa Rica that was offered to him. Urbina expressed displeasure over the treatment he has received [words indistinct] the Nicaraguan exiles in our country.

In this regard, the foreign minister said:

[Begin recording] There are [word indistinct] Nicaraguans in Costa Rica. All of those who have refugee status receive assistance through the programs of the National Commission for Refugees and the UN Office of the High Commissioner for Refugees. In addition, Costa Rica grants equal rights to all. So, I don't think, for instance, that a Nicaraguan refugee should be granted any special treatment regardless of the circumstances under which he sought refuge in our country. Logically, we must treat everyone alike to the extent of our abilities. [end recording]

The foreign minister said that there are differences between asylum seekers and refugees because asylum seekers do not receive economic assistance [words indistinct]. The asylum seekers can work anywhere while the refugees can only work in programs authorized by the National Commission on Refugees, Gutierrez added.

EL SALVADOR

DUARTE, GUATEMALA'S MEJIA TO MEET AT BORDER

PA182014 Panama City ACAN in Spanish 2003 GMT 18 Jul 85

[Text] San Salvador, 18 Jul (ACAN-EFE) -- Salvadoran President Jose Napoleon Duarte and Guatemalan Head of State Oscar Mejia Victores will meet tomorrow to discuss topics of common interest, it was reported today in this capital. The presidential meeting will be held at the border between the two countries in La Hachadura, in the westernmost region of El Salvador.

Salvadoran Vice President and Foreign Minister Rodolfo Castillo Claramount told newsmen today that the meeting between Duarte and Mejia Victores represents an effort of this government to fulfill its objective of strengthening the ties of friendship with neighboring countries.

Thus far the topics of the agenda to be discussed by Duarte and Mejia Victores are not known, but the possibility is not dismissed that the peace efforts undertaken by the Contadora Group and the latest political-military incidents that have occurred in the Central American region will be broached.

GOVERNMENT REJECTS THREATS MADE BY ESA

PA181630 San Salvador DIARIO LATINO in Spanish 16 Jul 85, pp 13, 14

[Text] The government has fully rejected the threats made by the Anticommunist Secret Army, ESA, against several people from the El Salvador University. This is the note: The government vigorously rejects statements by the self-styled terrorist, far-rightist organization, ESA, sentencing 11 people from the national university to death. The organization's statements have been published through various news organs and can be accepted only by those who oppose justice.

The government wants the people to know that ESA's stance, as well as that assumed by far-leftist terrorists, constitutes an absolute negation of the human rights. The members of this organization must be prosecuted by the authorities and tried by competent tribunals. An appeal is hereby made to all sectors interested in the defense of life, peace, and democracy to denounce those death squads that, under an anticommunist guise, want to keep the people submerged in a climate of hatred, violence, confrontation, and terror.

No political group or organization can be allowed to try, terrorize, and murder citizens for the sole reason of their having different political viewpoints, for crimes committed by only some of these citizens, or for any other reason. Despite its imperfections, our system sets forth legal mechanisms and procedures to which people must resort for the correct administration of justice. We are committed to this democratic process, and all the national sectors must make an effort to adopt stances and actions within the framework of law.

The government reasserts its determination to fight crime and terrorism according to law. For this reason, the government condemns the criminal stances of ESA and other terrorist groups and reminds them that all of us who want to live in a democratic system have to help identify those responsible for so many attacks against the people. We have to make joint efforts to win the battle for peace and the humanization of our society.

COL MENDEZ ON CUBAN, NICARAGUAN AID TO GUERRILLAS

PA180057 San Salvador EL MUNDO in Spanish 15 Jul 85 p 3

[Excerpt] San Miguel -- When sectors of San Miguel learned last night of the FMLN's decision to lift the ban on road transportation, the different sectors asked themselves what was the real reason for the FMLN paralyzation of vehicular traffic, especially on the roads in eastern El Salvador. They said it is interesting to note that during specific periods the FMLN does not want anyone traveling on the roads. "Why and for what reason?" most of the people asked.

In a press conference yesterday, Colonel Miguel Antonio Mendez, commander of the 3d Infantry Brigade headquartered in this city, said: "Joaquin Villalobos [commander of the People's Revolutionary Party, ERP] was not honest when he was interviewed by foreign correspondents in Perquin because he concealed the fact that if Cuba and Nicaragua cut off military aid to the FMLN-FDR, the Salvadoran guerrillas would fall with a loud clamor and with humiliation in the face of action by the Armed Forces."

He added: "It is easy for Villalobos to deceive the foreign correspondents because they do not know the country's real situation. The truth is, if Cuba and Nicaragua were not helping the FMLN-FDR, the guerrillas would have fallen a long time ago." Col Mendez also said: "Villalobos was lucky that the journalists did not ask him what would happen to the FMLN-FDR guerrillas if the Cuban and Nicaraguan aid were cut off. That is why he pretended to be what he isn't. I can tell Villalobos that he is just a bandit and a murderer. He hides his frustration in the guerrilla leadership, and that is why he terrorizes the people with transportation halts and sabotages acts throughout the country. Villalobos must know that the subversives have never won anywhere in the world when they destroy the means of employment and everything that is useful for the people."

Col Mendez added: "The machine-gunning of the musical group 'Espiritu Libre' and the Quintanilla and Majano families when they were traveling from San Salvador to this city and the constant destruction of powerlines, municipal buildings, National Administration for Telecommunications offices, and post offices are proof of the criminal actions of the guerrillas."

VENEZUELANS TRAINING POLICE, GUARD FORCES

PA170002 Buenos Aires REUTER in Spanish 1923 GMT 16 Jul 85

[By Robert Block]

[Text] San Salvador, 16 Jul (REUTER) -- High-level military officials have said that Venezuela, a member of the Contadora Group which opposes the presence of foreign military advisers in Central America, is training Salvadoran security forces and helping the contry's armed efforts against the leftist guerrilla groups. According to the officials, Venezuelan police officers are training the National Guard, the National Police, and the Treasury Police of El Salvador in investigation techniques aimed at repressing criminality and insurgency.

Government officials pointed out that a Venezuelan enterprise is building barracks for the Salvadoran Army with the aid of the Venezuelan Government, and a Venezuelan press consulting firm is organizing a pro-democracy propaganda campaign for the government. diplomats have said that, in their opinion, the arrangements weaken the Venezuelan position in the Contadora peace group, which also includes Panama, Mexico, and Colombia, and has proposed a ban on the presence of all foreign military advisers in Central America.

A Latin American diplomat who is closely linked to the peace process said: "The Salvadoran security forces' training by Venezuela is contrary to the very principles of Contadora and might cast doubt on Contadora's neutrality." The Venezuelan ambassador in El Salvador made no comment about the reports.

According to Salvadoran military officials, Venezuela sent the first group of instructors here late last year, to work with the National Police. Security Minister [title as received] [Colonel] Carlos Lopez Nuila recently said to REUTER that Venezuelan "technicians" had given the security forces' officials a course in criminology, police investigation, and administration. "They (the Venezuelan training teams) are practically temporary. They come, give a course, and leave. Others come some time later, give another course, and also leave," Colonel Lopez Nuila said. He denied that they were involved in counterinsurgency or intelligence training but, according to some officials, the police courses are a duplicate.

A lawyer working for an international human rights organization said to the news media that guerrilla prisoners recently stated that men wearing Venezuelan uniforms and with Venezuelan accents had supervised their interrogation.

"The Venezuelans are taking over areas where the United States cannot train," a military officer recently told REUTER regarding the U.S. laws, which state that Washington cannot work with foreign police forces. U.S. officials have said that they are not too well acquainted with the Venezuelan training program, but one said that he had heard positive comments. He added that the United States supports any action to professionalize the country's security forces.

Diplomatic sources have pointed out that the Venezuelan aid to the security forces marked a renewal of Venezuela's participation in the civil war after almost 6 years, following the withdrawal of the Venezuelan military advisers 3 years ago. In 1982, there were 12 Venezuelan military advisers in El Salvador, training and organizing small 350-man "Cazadora" battalions, modeled after combat units of the same name used in Venezuela in the early 1960's to crush the leftist uprising in that country.

A high-ranking official said that the Venezuelans withdrew after it was made known publicly that they were training Salvadoran forces. "Many countries do not want it known that they are helping the Salvadoran Armed Forces, so they do it quietly and as quickly as possible," the official said.

Meanwhile, $11 million of Venezuelan Government aid are being used for the construction of military barracks in eastern El Salvador, according to government officials. They added that the barracks are being built by the Venezuelan Van Dam Company. Government officials also said tht a Venezuelan consulting firm, the Venezuelan Popular Education Institute (IVEPO), is working closely with the Armed Forces press office, the section in charge of the Army's and Communications and Culture Ministry's psychological warfare, preparing an antiguerrilla and pro-democracy propaganda campaign for the government. IVEPO officials said that the institution is a private group that works to support democratic governments.

FDN MEMBER SAYS FMLN FIGHTING IN NICARAGUA

PA171752 San Salvador EL DIARIO DE HOY in Spanish 15 Jul 85 pp 10, 40

[Text] Dr Aristides Sanchez, a member of the Nicaraguan Democratic Force, FDN, has reported that several Salvadoran FMLN terrorists have fallen while fighting against the anti-Sandinist resistance. He said that in view of the advance and increase in the power of the various anti-Sandinist units in Nicaraguan territory, the Nicaraguan Marxist regime has asked for help from its Salvadoran terrorist allies and in this way, several FMLN units have been sent to fight in Nicaragua.

He said that several "commanders" of the subversive group have fallen in combat and that identification cards of Salvadoran commanders killed fighting inside Nicaraguan territory have been seized.

Dr Sanchez indicated that with the intensification of the struggle with more resources, the Nicaraguan regime will have to use all its strength to confront and crush the Nicaraguan patriots. In turn this will prevent it from continuing to give "oxygen" and support to the guerrillas and terrorists not only in El Salvador, but in all Central America.

Dr Sanchez issued a call to the Nicaraguan democrats so just as in 1856 when they expelled pirate William Walker, they will throw out today's enslavers who represent Soviet imperialism, the Libyans, and all the international terrorists who have entrenched themselves in Nicaraguan territory.

RADIO VENCEREMOS DEFENDS TRANSPORTATION HALTS

PA182007 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jul 85

[Text] The transportation stoppages that fall within our policy of sabotage of the war economy have provoked an angry and furious reaction from the oligarchy, the government, and the Army. It is logical that they should react in that manner because they are the ones directly affected by the measure and because they cannot do anything against it.

Our enemy's reply is psychological warfare through empty and groundless arguments. We can show with forceful and logical arguments that the transportation stoppages are correct and just. For any army in any war, the control of the highways and all communications means is extremely important because it permits a reduction of the mobility of the enemy and it cuts off the logistical supplies to the enemy. Therefore, the control of roads is a strategic military objective.

The enemy's economy is also military target in any type of war. Those who are unaware of this principle of war need only look back at the history of any war and ask the leaders of the Pentagon and NATO in which direction the nuclear missiles are aimed. Many of them are aimed at industrial complexes, infrastructures, and so on.

The transportation stoppages affect the distribution of merchandise and decrease the process of exports and imports. In a few words, they hit the war economy. That economy seeks our destruction. Therefore, it is clear that the transportation stoppages have economic and military objectives as well as a strategic character. Because the enemy is incapable of defending the roads militarily, it tries to defend them with political arguments. The enemy's propaganda seeks to put forth the idea that the transportation stoppages only hurt the people. It must be clearly understood that the FMLN measures, specifically the paralyzation of traffic, are not the result of the whim of the FMLN. Each FMLN action is the result of the analysis and the study of the situation at all levels.

A transportation stoppage affects the system of distribution of merchandise. It affects the import and export process. It affects the private and state economy as a whole. Here is a specific example: Cotton is currently in the planting stage. This demands supplies, fertilizers, and insecticides. Obviously, with the halt in transportation, the planting of cotton is affected due to the lack of supplies. Cotton is the second most important product in the country's economy. The sale of this product abroad brings in foreign currency and dollars that are turned into bombs, bullets, counter-insurgency plans, and so on.

Here is another example: During the transportation halt, the trucks with merchandise from the big enterprises are paralyzed in the customs houses and the factories. This leads to big losses. Therefore, the transportation stoppage hits the economy of the oligarchy and the oligarchy is our enemy.

Our objective in the transportation stoppages is not to prevent a man from going to the hospital to see his son or to prevent a Chapeltique woman from going to buy eggs in San Miguel or to prevent a Chalatenango man from going to work in San Salvador. It is not true that those are the objectives of the transportation stoppages. The objectives are cotton, coffee, sugarcane, the distribution of the big companies' merchandise, in other words, the war economy.

Now then, in order to be effective the stoppage must be generalized. It cannot be selective. That is precisely why we announce the beginning of the stoppages beforehand so that the poor people can prepare for them. Those who will never get used to them no matter how far ahead we announce them are the oligarchs and their defenders.

CORRECTION TO DEFENSE MINISTRY ANNUAL REPORT

The following correction pertains to the item headlined "Defense Ministry Issues Annual Report," published in the 15 July Latin America DAILY REPORT, Pages P 4-6:

Page P 5, paragraph ten, line six should read: ...of crime committed. Three thousand sixty-eight [number as heard] members of the... (adding editorial notation)

GUATEMALA

MEJIA SAYS REGION COULD 'COEXIST' WITH NICARAGUA

PA181854 Buenos Aires REUTER in Spanish 0546 GMT 18 Jul 85

[Text] Guatemala, 17 Jul (REUTER) -- The Guatemalan head of state, General Oscar Mejia Victores, said today that the Central American nations could "coexist" with the Nicaraguan Sandinist government. "We should not fight among brothers," Mejia said during a press conference at the National Palace, when asked about the position Central America should adopt in the event the United States invades Nicaragua. "The United States has made two mistakes: Cuba and Nicaragua," Mejia said. "Would it be worth having a war to correct those mistakes?"

Mejia said that Guatemala, which has been ruled by a series of military governments for the past 30 years, supports the Contadora Group's proposal in favor of a negotiated solution to the Central American problems.

The Nicaraguan Sandinist leaders affirm that the military maneuvers taking place in neighboring Honduras are part of a U.S. plan to invade Nicaragua and overthrow the ruling FSLN. The U.S. Administration of Ronald Reagan says that the maneuvers and Washington support for the Nicaraguan rebels trained by the CIA are necessary to prevent Nicaragua from exporting the revolution to the rest of the region.

Mejia referred to the Nicaraguan support of the leftist insurgence in Central America as "a thing of the past. Now, they (the Sandinists) have too many internal problems" he said. "They have planes, helicopters, trucks, and tanks, but they have no food, and they are starving to death."

The recent Guatemalan efforts to obtain U.S. military aid to fight its own leftist insurgence were unsuccessful due to reports on human rights violations, which blame the security forces for many of the disappearances and deaths that have become routine here.

HONDURAS

PRESIDENT EXPRESSES 'SYMPATHY' ON REAGAN ILLNESS

PA182316 Tegucigalpa LA TRIBUNA in Spanish 17 Jul 85 p 47

[Letter sent from President Roberto Suazo Cordova to President Ronald Reagan dated 12 July]

[Text] Tegucigalpa, 12 July 1985

Mr Ronald Reagan, President of the United States of America, White House, Washington, D.C.

On learning of your health problems, I hasten to express my solidarity and feelings of sympathy.

In the name of the people and Government of Honduras, I express my sincere wishes for your complete recovery for the benefit of that great friendly nation and the free world, and for the enhancement of democracy, progress, and security, which are the guiding principles of your distinguished government and which we share with faith in the future.

My fraternal regards,

[Signed] Roberto Suazo Cordova, constitutional president of the Republic of Honduras

ECONOMY SECRETARY ON REGIONAL TRADE ACTIVITY

PA181452 Tegucigalpa Domestic Service in Spanish 1130 GMT 17 Jul 85

[Text] Economy and Commerce Secretary Juan Miguel Orellana has said that the measures taken to protect the Honduras-Central America commercial relations are still in force and announced a meeting with the business sector to discuss problems of trade.

The official said: The idea is not to set deadlines to change the government's decisions regarding trade, but to work jointly to solve the country's problems in trade with its neighbors.

Orellana called for a meeting of the leaders of the Honduran Federation of Chambers of Commerce and Industries [Federacion de Camaras de Comercio e Industrias de Honduras] to be held Friday to discuss the questions raised by the business sector on the actions taken regarding markets.

The secretary said that a commercial balance with the other Central American countries is in the process of being achieved, as well as a balance with the various sectors of the national economic activities, as related to both imports and exports.

The measures [words indistinct] observed in the trade relations to the extent that the other countries were making big profits due to the prevailing differential exchange system. He indicated that the economic authorities are willing to listen to the federation's proposals and give specific answers to the questions posed by the Honduran business sector.

COMMUNIQUE DENIES PALMEROLA U.S. MILITARY BASE

PA182322 San Pedro Sula TIEMPO in Spanish 17 Jul 85 p 3

[Text] The Honduran Armed Forces Public Relations Directorate refers to the information published on page 5 of TIEMPO on 15 July 1985 under the headline: "New Commander Appointed at Palmerola Military Base." We wish to clarify the following:

1. Palmerola is not a U.S. military base, but rather the site of the Captain Roberto Raul Barahona Honduran Air Force Military School. The U.S. Army's "Bravo" joint task force is temporarily stationed on its premises.

2. In addition, we emphatically deny that the runway at Palmerola is being used by U.S. planes to carry out "reconnaissance flights over El Salvador's airspace."

3. Complementing this report, we must clarify that "there are no U.S. military bases" on our national territory.

NICARAGUA

GOVERNMENT REJECTS U.S. 'INTOLERABLE THREATS'

PA190033 Managua Domestic Service in Spanish 2226 GMT 18 Jul 85

[Communique issued by the Foreign Ministry in Managua; date not given]

[Text] Yesterday, 17 July, Harry Bergold, U.S. ambassador to Nicaragua, delivered a note to the Nicaraguan Government. The note contained extremely serious threats against our country. Nicaragua categorically rejects the contents and manner of this note that contains false charges and intolerable threats. This note constitutes a violation of the usual right for relations between states.

First, Nicaragua wishes to reassert its vigorous, total condemnation of all forms of terrorism, particularly state terrorism, such as that being sponsored and financed against our country by the U.S. Administration. Regarding this latter point, I wish to remind you that this policy has caused 12,146 victims -- including dead, wounded, and kidnapped -- in Nicaragua and more than 7,500 children have been left orphans. In this state terrorism against Nicaragua, methods and actions have been employed that we will mention here: a) the mining of Nicaraguan ports; b) the attack against the fuel storage tanks at Corinto port which forced us to evacuate all of the people from this port; c) the systematic murder and kidnapping of peasants, the elderly, women, and children by the mercenary bands financed by the U.S. Government; d) the attack against a Nicaraguan airlines aircraft in Mexico; e) the attack with explosives against the baggage section of the Sandino Airport that resulted in the death of four airport employees; and f) the manual for psychological guerrilla operations drafted by the CIA. This manual constitutes an aid and apology for terrorism.

We must say that notes such as the one delivered to the Nicaraguan Government yesterday by Ambassador Bergold are in themselves proof of state political terrorism. The Nicaraguan Government is not involved nor has it ever been involved in any actions contrary to the norms and principles of international law. In its long struggle against the dictatorship, the FLSN never used terrorist methods. Nicaragua rejects being blamed for the events that occurred on 19 June in San Salvador or any other similar situation that could occur in that or in any other country. We do not practice or encourage such actions. The absurd attempt by the United States to hold Nicaragua responsible for the terror and violent actions that both U.S. diplomatic personnel and citizens in Central America and other areas might suffer can only be understood in the framework of the U.S. decision to orchestrate the necessary pretext -- such as the one that occurred at the Gulf of Tonkin -- that could generate the conditions for a direct military aggression against the Nicaraguan people. This is the only way we can interpret the illogical, illegal threat of effecting reprisals to harm Nicaragua for actions whose nature and origin have been determined by the U.S. Government itself. This new threat occurs in the framework of former aggressive actions against Nicaragua such as the economic embargo, the approval of new financing for the mercenary forces, and the approval of the [words indistinct] amendment that contains the necessary pretexts to directly attack our country.

Due to the fact that the threats against U.S. citizens in other countries in the region are the result of the U.S. Government's policies regarding the crisis in Central America, this government's responsible stance should not be to step up its dangerous threats against a small nation such as Nicaragua, but to sincerely commit itself to the current peace efforts, particularly through the cessation of its boycott of the Contadora Group's negotiating effort and the acceptance of the resumption of the Manzanillo talks that were unilaterally suspended in January.

To persist in its policy of new, larger, aggression toward the region, particularly Nicaragua, could only lead to an aggravation of the situation and an increase in the security risks for all parties involved. In addition, Nicaragua considers that if the U.S. Administration possesses reliable proof of alleged Nicaraguan support for terrorist organizations, the International Court of Justice is fully competent to hear these charges. Nicaragua appeals to the United States to present its complaints before the world's highest tribunal, whether in the framework of the demand that is currently considered at this tribunal or a new demand that the U.S. Government wishes to file at the tribunal. The Foreign Ministry reiterates its full consideration to the U.S. Government.

COMMUNIQUE TO WEST EUROPE ON TERRORISTS

PA181229 Managua Radio Sandino in Spanish 1930 GMT 17 Jul 85

[Text] The Nicaraguan Government has asked the Western European governments to supply it with information on the presence in Managua of any persons accused of belonging to terrorist organizations. A communique from the Nicaraguan Government published by the Nicaraguan Embassy in Madrid, Spain states that Nicaragua has always firmly rejected all types of terrorism, and has always manifested its respect for the fundamental rules and principles of international law. The communique comes in response to recent statements by President Reagan accusing Nicaragua of being a country that harbors terrorists -- statements that have been echoed in Spain by the most reactionary newspapers.

In the Nicaraguan Government communique published in Spain, it is recalled that it was the Reagan administration that ordered the mining of the Nicaraguan ports, the blowing up of the oil tanks in Corinto, the placing of bombs in various Nicaraguan airplanes, and the provision of economic aid to the counterrevolutionaries and mercenaries based in Honduras and Costa Rica, who attack, murder, and destroy Nicaragua. Nicaragua is a victim of the indiscriminate violence directed by Reagan's government for the past years, the communique adds, and recalls that this terrorist campaign has meant the murder of thousands of Nicaraguans -- among them women, old people, and children -- many more thousands wounded, and almost 10,000 orphans.

PRESIDENT SEEKS EXTENSION OF AMNESTY LAW

PA182312 Managua Radio Sandino in Spanish 1200 GMT 18 Jul 85

[Text] Yesterday Commander of the Revolution Daniel Ortega Saavedra, president, requested that Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly, submit for the Assembly's consideration the extension of the amnesty law, which expires tomorrow, 19 July. Presidency Minister Rene Nunez relayed the Nicaraguan president's request in a letter to the president of the Assembly. The request was the result of pleas from various individuals who are willing to accept the amnesty decree.

RAMIREZ EMPHASIZES ACHIEVEMENTS OF REVOLUTION

PA181952 Managua BARRICADA in Spanish 17 Jul 85 p 5

[Excerpt] None of the 137 municipalities in the nation have been occupied by the counterrevolutionaries, in spite of the millions of resources that are assigned to them by the Reagan administration, Vice President Sergio Ramirez said when speaking about the defeats that the Somozists are constantly suffering.

Victory over the mercenaries was topic number two in Ramirez' general analysis of the main achievements in the 6 years of revolution. Ramirez also highly valued the foreign policy in defense of the fatherland, which is fair and just and therefore explains the prestige of Nicaragua abroad. During Somoza's times, Nicaragua was a forgotten country. In this regard, the vice president emphasized the peace efforts of Nicaragua, reiterating a call to the United States to return to the Manzanillo dialogue and reaffirming support to the Contadora Group's efforts. Likewise, he once again said that Nicaragua will never accept conditions and that there will never be dialogue with the Somozist contras. "A peace effort cannot be conditioned to a dialogue with the contras."

He said he agrees with Peruvian President-elect Alan Garcia that it is Latin America's duty to defend Nicaragua's unconditional right to sovereignty. He added that if this stand extends to other countries, it would greatly benefit Nicaragua. The vice president also pointed out the true mobilization of the people to basic tasks of the revolution, such as defense, health, and education, as one of the main achievements, thus confirming that the people are the basis for the revolution. Concerning this point, he noted there is a true grassroots democracy in addition to the formal democracy that is expressed in votes, something missing in many other countries. He added that the people make use of their legitimate right to actively participate in the national life. "The people have won the right to speak."

A fifth important achievement is the fact that structural changes have not been halted. Nicaragua is the sole owner of its natural resources. The agrarian reform is making progress. Over 2 million manzanas have been distributed among those who had nothing. Public health and education programs are making progress. Service are not focused on the one-time powerful class, but on everyone, mostly the workers. Ramirez emphasized that the revolution is trying to distribute everything among all Nicaraguans, in spite of the limitations imposed by the economic crisis and the aggression, which makes the problem more complex.

However, he insisted that the limitations should not be a pretext and that the revolution's policy should be made effective, which makes it a challenge even in the worst conditions. To this effect, he called for true efficiency in the use of all resources, emphasizing that one should strive to gain energy from all difficulties in order to carry out one's tasks.

19 JULY ANNIVERSARY OFFICIALLY DECLARED HOLIDAY

PA171335 Managua Radio Sandino in Spanish 1200 GMT 17 Jul 85

[Communique issued by the Ministry of Labor on 16 July]

[Text] On the occasion of the sixth anniversary of the victory of the Sandinist people's revolution, the Labor Ministry hereby notifies all workers and employers of the country:

1. A holiday with full pay is hereby declared as of 1300 on 18 July in Managua Department.

2. It is reminded that 19 July is a national holiday according to Article 57 of the Labor Code.

3. Saturday, 20 July is declared a day of leave for those sectors that normally work on Saturdays, with the exception of the special sectors, which will work a normal day.

4. The special sectors, which by virtue of the very nature of their work cannot be interrupted, are exempted from the provisions of the above-mentioned points. Such activities are regulated according to Article 57 and Paragraph 4 of Article 72 of the Labor Code. Managua, 16 July 1985

For peace, everyone against aggression.

NATIONAL ASSEMBLY PRESIDENT'S ANNIVERSARY SPEECH

PA190125 Managua Domestic Service in Spanish 0002 GMT 19 Jul 85

["Message" to the Nicaraguan people read by Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly and president of the organizing committee for the sixth anniversary of the Sandinist people's revolution, on the occasion of the sixth anniversary of the revolution; date, place not given -- recorded]

[Text] (?Glorious) people of Nicaragua, all of the honest and free citizens of this country feel proud to be Nicaraguans. On a day like today, 6 years ago, we experienced the great happiness of touching triumph with our own hands. A day before the tyrant's flight had announced the overthrow of the dictatorship and the final victory of the Nicaraguan people led by their historic vanguard, the FSLN. 17 July 1979 was baptized with the name day of happiness, and that same happiness is the one we feel today when we commemorate the sixth anniversary of the Sandinist people's revolution united by the slogan: "Victorious Nicaragua Does Not Sell Itself or Surrender!"

All of Nicaragua is up to date on the war fronts and in the schools, factories, hospitals, ministries, military units, courts, churches, and hamlets. Every house, worker, woman, child, and soldier of the homeland is working harder, more often, and with more efficiency, abnegation, and responsibility in eradicating bureaucratism, correcting our mistakes, overcoming our weaknesses, putting forth more efforts, becoming more aware of our tradition of struggle and victory, and responding to imperialism. "Victorious Nicaragua Does Not Sell Itself or Surrender!"

Centuries of exploitation, misery, the looting of our sovereignty, the theft of our natural resources, and the staining of our dignity were cut to pieces on the day of the triumph when thousands of red and black flags were raised to the skies as a symbol of anti-Somozism, anti-interventionism, and anti-imperialism, a formidable symbol of this mass of brave, bold, worthy, patriotic, and revolutionary men and women who, in the past 6 years, have reaffirmed with blood that: "Victorious Nicaragua Does Not Sell Itself or Surrender!"

On this sixth anniversary, thousands of Sandino's little ants will once again fill the plaza with the same feelings we had 6 years ago. We will show the enemy, the same enemy of the past, that pressure, an embargo, slander, and aggression cannot make our people take a step back in their determination to be independent, sovereign, and worthy. These treasures of the revolution will be defended with our lives if necessary because this people's power, this Sandinist power, is the defense of the revolution, the defense of the homeland.

Managua, host city for the sixth anniversary, is and will continue to be up to date in its commitments to victory. Managua will continue to contribute with fighters for the defense of the homeland; increase revolutionary surveillance; strengthen the civil defense tasks, increasing the level of organization of the masses to reject the threats of intervention; fight the economic crisis; struggle to respond, in an effective way, to the demands made by the working people; effectively ration our scarce resources as a way to overcome the crisis that the criminal war imposed by U.S. imperialism creates; and wage the battle to eradicate inefficiency, squander, lassitude [tortuguismo], bureaucratism, and mismanagement.

We will continue to perform our voluntary work duties to facilitate the mobilization and organization on all fronts, uniting all of the sectors of the people in the capital city and throughout the nation under a single goal: to protect the revolution by defeating the imperialist policy. All these efforts show that Managua has mobilized to defend and hold its position on the line of fire where the soldiers of the homeland, with their example, blood, and rifles, cry out: "Victorious Nicaragua Does Not Sell Itself or Surrender!"

This daily, gigantic effort put forth by each and every one of us does not end on 19 July. Quite the contrary, it will continue until peace is achieved. This effort -- to defend ourselves as patriots and revolutionaries, and to survive as independent and sovereign people -- has awakened, even before the triumph of the revolution, an enormous solidarity among the free governments and peoples throughout the world. The revolution has opened a horizon for us. For the first time in its history, Nicaragua is proud to be an example in Latin America. It is a fountain of lessons, and these lessons are priceless for the new generations of Nicaraguans who will have as their duty the daily defense of the development of the new society based on combat and work. Their merits must be recognized by the revolutionary state. For this reason, the residents of the war zones and the brigades that have marched to the war zones to stand by their brothers defending the sovereignty of the homeland will be distinguished with the Jose Benito Escobar Perez Order, an honor reserved for those who perform great tasks for the good of the homeland.

Victorious Nicaragua, free Nicaragua, worthy Nicaragua, may our daily efforts and sacrifice for peace and the construction of a just society allow us to retake each day and make it our own, the example of the heroes and martyrs who gave their lives to see you as sovereign and sole master of your beautiful destiny. Only hours before we commemorate the sixth anniversary of the victory, every Nicaraguan who joins in the happiness of the liberation and who has already begun to march toward the Carlos Fonseca Plaza Park is a formidable response to the U.S. Government that once again attempts to place around our necks, hands, and feet the chains of imposition, exploitation, and humiliation. It is the overwhelming response to those who, as Sandino said, attempt to reduce us to the status of slaves. However we must say aloud: Nicaragua will never again be a colony or anyone's slave. The invaders may enter, but never leave. We shall bury the enemy's heart in our homeland. We are ready to fight, we are ready to stand up to them, and we are ready to win.

On this 19 July let us march to commemorate the sixth anniversary of the victory. Let us march stronger, in solidarity, and more united than ever raising our banner: "Victorious Nicaragua Does Not Sell Itself or Surrender!"

DELEGATIONS, GREETINGS ARRIVE FOR ANNIVERSARY

Former Dominican Leader Arrives

PA181656 Managua BARRICADA in Spanish 17 Jul 85 p 5

[Text] Former Dominican President Juan Bosch arrived yesterday in the country to attend the festivities of the sixth anniversary of the revolution and said he hopes that "the revolution will continue surpassing all obstacles that are placed on its path, because this revolution belongs to all Latin America."

Bosch, who describes himself as a stong defender of the Nicaraguan revolution, said last night that the revolution has had "a year of many problems, but will overcome them."

Sports, Physical Education and Recreation Minister Dr Luis Scheker Ortiz, representing President Jorge Blanco's government, arrived on the same plane and said he was very pleased to join the Nicaraguan people in celebrating the sixth anniversary.

Abraham Bautista Alcantara, who is in charge of international relations of the Dominican Revolutionary Party (PRD), said that the Nicaraguan revolutionaries "can always count on the solidarity and support of the PRD because this revolution is a stimulus and example for the peoples of the world."

SRV Sends Greetings

PA182037 Managua BARRICADA in Spanish 17 Jul 85 p 4

[Greetings message sent by the Socialist Republic of Vietnam to the Nicaraguan Government on the occasion of the sixth anniversary of the Sandinist revolution]

[Text] Companero Commander of the Revolution and President of the Republic of Nicaragua Daniel Ortega Saavedra:

On the occasion of the sixth anniversary of the victory of the Nicaraguan revolution, we send you, the Nicaraguan people, the FSLN, and the Nicaraguan Government our most heartfelt fraternal greetings. During the past 6 years under the correct leadership of the FSLN and of the Nicaraguan Government over which you preside, the Nicaraguan people have shown evidence of their great patriotism and revolutionary heroism and have courageously struggled and worked devotedly and made extraordinary achievements, defeating all maneuvers, sabotage, provocations, and aggressions of Yankee imperialism and its lackeys. The people have strongly defended their fatherland and have built a new Nicaragua, which is truly independent and free.

The historical victory of 19 July 1979 and Nicaragua's development in the past 6 years are a shining example and a strong stimulus for the oppressed peoples, particularly of Latin America, in their struggle against imperialism for life, independence, and democracy, thus making important contributions to peace in the region and the world.

Being a close friend in combat of the fraternal people of Nicaragua, the Vietnamese people deeply rejoice over the great achievements of the Nicaraguan people and view these achievements as their own.

With its warmongering and aggressive attitude, Yankee imperialism continues carrying out escalations which are extremely dangerous, threatening Nicaragua's independence and sovereignty and creating a very tense situation which endangers peace and stability in Central America and the Caribbean. However, we are convinced that with its undefeatable spirit of "free fatherland or death" and the strength of national unity under the wise leadership of the FSLN along with the support of all progressive mankind, the Nicaraguan people will undoubtedly overcome all difficulties, defeat all maneuvers and hostile actions of Yankee imperialism, strongly defend the fatherland, and carry out their revolutionary cause.

We avail ourselves of this opportunity to reaffirm the fighting solidarity and total support of the Vietnamese party, government, and people to the cause of the fraternal Nicaraguan people for the construction and defense of their fatherland. With best wishes for the constant consolidation and happy development of fighting solidarity and the friendly relations between our two peoples of Vietnam and Nicaragua.

Accept our greetings to your victory.
Hanoi, 16 July 1985
[Signed] Truong Chinh, Chairman of the Council of State; Pham Van Dong, Chairman of the Council of Ministers;
Socialist Republic of Vietnam

U.S. Delegations Bring Donations

PA182230 Managua BARRICADA in Spanish 17 Jul 85 p 4

[Excerpts] Approximately 50 special guests arrived in the country yesterday to attend the celebration of the sixth anniversary of the Sandinist people's revolution. The delegations came from various countries of America, Africa, Asia, and Europe at the invitation of the Nicaraguan Government and nongovernment organizations.

Lewis Saunders, a U.S. farmer and director of the American Farmers Movement, said he had very little information about Nicaragua and its revolution, but said he was interested in learning everything about production and particularly about the agrarian reform. He also said he would like to discuss the establishment of an agricultural project with his counterparts of the National Union of Farmers and Cattlemen, UNAG.

Seven members of the New York Committee of Solidarity, the Nica House, brought medical equipment worth $3 million and reported on various activities they have been conducting since 12 July to celebrate the sixth anniversary of the revolution.

A delegation of American handicapped persons has also arrived to share the Nicaraguan people's joy. Marc Krizack, coordinator of the International Force to Support the Handicapped, said the group is donating $10,000 to be used for manufacturing five electric wheelchairs and spare parts for the chairs.

INTERIOR MINISTER BORGE SPEAKS AT HEROES CEREMONY

PA161401 Managua Radio Sandino in Spanish 0025 GMT 16 Jul 85

[Speech by Interior Minister Tomas Borge at an event honoring Luis Buitrago and other heroes in the Las Delicias neighborhood -- live]

[Excerpts] Why do I say that speaking of urban and underground struggle is important in the face of the threat of a direct U.S. intervention? On Saturday Companero Commander Humberto Ortega made concrete references to the reply given by the revolution to increasing danger of a direct intervention by imperialism. Humberto, after pointing out that in the past few months we have dealt heavy blows to the counterrevolutionary forces, said that we have also managed to neutralize the creation of the domestic front through the efforts made by Interior Ministry, intelligence, and especially counterintelligence services, whose chief Lenin Cerna is present here.

In these great moments when our people have become aware of the importance of preparations for defense in the face of a possible intervention, the revolutionary leadership hands over more than 200,000 rifles to the people. At the same time, we give them engineering means, mines, and explosives. We have also trained special mobile units. We are training armored and artillery units, as well as specific task forces jointly formed by the Sandinist People's Army [EPS] and the Interior Ministry. The enemy's intelligence forces have to learn what these specific tasks are, because theirs will be a really special task which will surprise the enemy if they dare to invade our country. [applause]

What does all this prove? [crowd chants slogans] It proves that we are ready to fight, that we are ready to place the whole country on battle alert if the time comes, and these are not mere words. Our defense efforts, companeros, are aimed at two different but complementary directions. Enormous energy resources have been channelled to face the counterrevolution, and defense preparations have been made to successfully face intervention, if it comes. We cannot and must not neglect either of the two fronts. They require planning, enthusiasm, and sacrifice. This gigantic task consumes almost one-half of our country's material resources and considerably valuable resources, which would undoubtedly be useful for our economy and to answer our many and complex problems and social needs.

We are all aware, however, that we cannot spare any effort to ensure this country's survival as a nation. First we have to survive as a people, as a nation, as a revolutionary process. The preparation of plans for the interventionist war, which will be further strengthened, include the establishment of underground networks that would go into operation at the right moment, as well as the political and violent response of the divided structures [estructuras compartimentadas] which our organized people should be aware of.

We are preparing, Nicaraguan people; we are preparing, Mssrs imperialists, thousands of devices to make the enemy's life unbearable. Even now men and women are in the ranks of the counterrevolutionary army and the reactionaries to obtain information for our political and military leadership about what the intervention and its local puppets are doing. We have now penetrated the ranks of the enemy. [applause]

Our enemy should know that we are not going to be so foolish as to not prepare to face them everywhere, anytime. We will prepare conditions so that they will not be safe anywhere. A deadly bullet may hit them anytime from anywhere: from a bush, from a window, on any street corner, at any crossroads. Or they might run into one of the mines that Companero Humberto Ortega mentioned.

What does all this mean? [crowd chants slogans] We must tell the musicians [piteros] to wait until the Yankees arrive to start playing, not now because [words indistinct] what we are saying.

What does all this mean? [shouts] It means that -- although in its dizzy state imperialism fails to admit it, even though the yellow-livered cowards fail to admit it; even if they have lost their faith, even though the empire has planes, battleships, and a powerful artillery -- hundreds of thousands of armed men and women will make life unbearable for them. Their powerful weapons are useless against an armed people. Those weapons can win conventional wars against armies with defined lines of combat defending fixed positions. Our armed people will be everywhere and nowhere. They could be birds singing in the mountains, an angel-faced schoolgirl sitting on a corner, or an old man sitting at his front door. They will never know from where avenging death will reach them.

With our customary sincerity, we tell the imperialists that this is the truth. These are not mere words. The Nicaraguan people are in power. Sandino defeated them militarily with a small group of men using rifles salvaged from the sea; he faced the world's mightiest Army and defeated it. Now that the Nicaraguan people are in power, now that they have the 200,000 rifles that Humberto Ortega mentioned, now that we have tanks, artillery, armored cars, experience, and courage; now that we have aquired enormous military experience, we can defeat U.S. intervention a thousand times better than that handful of men. [applause]

These are not mere words, Mssrs imperialists. Those 200,000 rifles are not mere words. The tons of explosives, the adventure of penetration, the solidarity of the nations, Father Miguel D'Escoto's fast, the BM-21's, the tanks, and the territorial militias, are not mere words.

The Sandinist youth, the workers, the Sandinist Defense Committees, our peaceful designs, and our willingness to talks are not mere words either.

However, the peace that our people and their revolutionary leaders want and demand are not enough. The road to peace has been mined with booby traps and sly maneuvers. Once again, we have learned through two different and unrelated sources, which are absolutely reliable, that the counterrevolution plans to bomb the Penas Blacas border post again. They had made similar plans before. The post of Penas Blancas is in Costa Rican territory. In the past they desisted from the attack when their plans were revealed.

They have planned to carry out their attack with planes painted with Sandinist Air Force markings, or with unmarked planes. The possibility of a ground attack is not discarded, either.

Obviously, anyone with any common sense -- and all these politicians have it, but they don't have an ounce of feelings -- can realize that an attack of this type is really aimed at harming the already shaky relations between Nicaragua and Costa Rica. Anticipating events, we are alerting international public opnion to be aware of what we are saying so that they will not be fooled.

For those days, they have also planned to start the resurgence [repunte] plan -- that is what they call it. This plan includes blowing up bridges, terrorism, and sabotage in the northern area.

We are aware of the details of this plan, and I do not know if I am revealing the source, but I had better say it anyway. So, go ahead, Messrs assassins, we are waiting for you and your plan. Am I revealing the source? [applause]

It will not be easy to achieve peace. Perhaps it will be easier to win the war. All the wrath of the imperialist demon has been vented on us, since it wants war, not peace -- a war in which the principal element is terror. They want to defeat us with terror. Somoza never defeated us with terror. They do not profit from experience. They want to defeat us with terror.

The commercial embargo is economic terrorism carried out in its highest expression. The counterrevolutionary army is organized terrorism. Is it not terrorism to burn trucks? I believe that they burned some trucks this morning near (Moa). Isn't it terrorism to burn cooperatives and to mine ports, burn ports, burn airports? Isn't it terrorism to assassinate children, women, and old people? Isn't it terrorism to kidnap Nicaraguans?

The recent kidnapping of North Americans elicited a wave of protest in the United States and in other parts of the world. Even here in Nicaragua the reactionaries began to protest the kidnapping of the North Americans, over the terror that was being unleashed in Lebanon. Yet they forgot that terrorism has also existed here for many years. But who has protested the kidnapping of not one dozen, not six dozen, but thousands and thousands of Nicaraguans? Who has protested the deaths of thousands and thousands of Nicaraguans, victims of U.S. terrorism?

The kidnapped North Americans have already returned to their country. We are sincerely glad about that, but who cries and who is happy about our kidnapped people? Who cries and who will be happy if the 42 Miskitos, who were apparently kidnapped by the Honduran Army, return? We, of course, cry over those kidnapped people, and we will be happy when they return. But in the whole world, who protests, who expresses solidarity with the kidnapped Nicaraguans and with the dead Nicaraguans? A dozen Yankees and all the reactionaries in the world cry -- in fact, even the reactionaries in Nicaragua cry -- yet aside from shedding tears, they are incapable of making a simple protest over the kidnappings of our people.

The worst part of everything is that they kidnap us, they sabotage us, they burn us, they assassinate us, they bomb us, and they calmly say that we are the terrorists. The worst part of everything is that from the territories of Honduras and Costa Rica, which are used shamelessly and without limitation by enemy forces against Nicaragua, they stage incursions against Nicaragua to burn, to assassinate, and they say we are the ones who violate neighboring territories. They say that we are the ones who kill.

They say that we are the bandits, that we are the terrorists and the aggressors. Undoubtedly, this is the biggest, incredible, cruel expression of arrogance, of the most cowardly, loathsome hypocrisy in the history of this continent.

I knew of an individual, and perhaps you have also known someone like this, who killed somebody and went to his funeral. There are those who are covert accomplices to the crimes committed against our people, to the imperialist aggressive policy, and after they become accomplices, sometimes covertly and sometimes openly, they want us to express our regrets and to ask them for forgiveness.

However, there is competition in this matter of audacity. Photographs of the Soviet bases in Nicaragua were exhibited. Have any of you seen them? A picture was shown of a girl, who by the way had been in the United States for several years, portraying her as a victim of the Sandinist repression. On another occasion, we were accused of assassinating 60,000 Miskitos; that is virtually the entire Miskito population. Burned, charred bodies, burned by the barbarian Somozists, were portrayed as having been burned by us.

I recall that not even a year after the revolutionary victory, a well-known Yankee congressman -- whose name I do not recall and do not want to recall because he raised a scandal in the United States, received extensive publicity when he charged that we had assassinated 5,000 in the prisons. It does not matter to them that this is a lie. They say it and repeat it Goebbels style, and finally it becomes true in the minds of the poor North American people.

When they report falsities they publish bold headlines that are echoed and rebroadcast by the television and radio networks in the United States. Whey they make a denial, they do so in small items hidden in an inside page of a newspaper or else they do not utter a single word. In this they resemble some of the people here. If there is a rally some 70,000 or more persons go to Masaya and it is as if nothing had happened. [Dog barks in the background] Even the dog protests. [laughter, applause, indistinct slogans]

It is incredible, enormous meetings are held and they are published in a small item hidden in the inside pages. Yet a meeting of four insignificant members of the Social Christian Party or a Social Democratic Party appears in eight columns. A few meet to hypocritically beat their chests, and they receive lots of publicity. The peoples of Nicaragua meet, raising their voice of protest before the world, demanding their right to liberty and self-determination, and it is as if absolutely nothing had happened. This is a perfect example of arrogance, disdain for the truth, and organized hypocrisy.

For now Honduras has stopped being the [word indistinct] of the United States in its attacks against Nicaragua. They cannot seize that occupied country, that U.S. military platform. It is not advisable in the face of international public opinion. No one has placed importance on the border incident with Honduras. Hence, this is why they chose Costa Rica, which has traditionally been a democratic, peaceful country devoid of an armed forces.

Since Nicaragua is an armed country -- and it is true that it is armed, we are not going to conceal this, out of necessity, of course -- the border incidents with the unarmed, poor, peaceful Costa Rica have different repercussions. It is expected that there exists a trend of protectiveness toward and solidarity with that neighboring counryy, which is a victim is the savage, communist Nicaraguan bandits.

But what has really happened? You already know what the OAS stated. Among other things, it said that in Costa Rican territory the counterrevolution acts with the virtually total liberty before the eyes of the world.

Nobody ignores this. Everybody knows it. It would seen as if only a few around there do not know it. It is impossible to conceal it any longer. Nicaraguan territory is attacked from that territory. The U.S. Government's pressure has been so violent, so barefaced that Costa Rica has gradually become involved in U.S. policy, unmasking the inefficiency of the neutrality plans of President Monge.

Therefore, it is not our fault that the prestige and dignity of Costa Rica have been seriously damaged in the past few months. Why do they reject the initiative of talks between Nicaraguan president, Commander Daniel Ortega, and Costa Rican President Monge? Why do they reject the jurisdiction of the court of the Hague? Why did the United States withdraw from Manzanillo? Why have they done everything possible to destroy the Contadora process, while at the same time audaciously accusing Nicaragua of weakening the Contadora Group? Yet we were the ones and, furthermore, the only ones who agreed to sign the peace document proposed by that Latin American organization.

Why are we accused of being a military threat to our neighbors, when it is in Honduras where military maneuvers are conducted, when against the will of the Costa Rican people they attempt to create an army molded after Yankee standards in that neighboring country.

They know very well, better than we do, that out of moral and revolutionary principles we do not want to invade those countries, nor can we do so, because that would mean the intervention of the United States in Nicaragua.

Why don't they accept the security zone on the border with Costa Rica, when they know very well that we are the ones mostly interested, and that there be no border conflicts because such conflicts would only increase the possibility of an intervention?

Therefore, dear companeros, there exists the real possibility of intervention. However, there also exists the real possibility of preventing those interventions. The fast by Father Miguel [D'Escoto] may contribute to the insurrection of solidarity throughout the world, particularly in the United States.

The combative determination of the peoples will, undoubtedly, be a decisive factor in replacing adventurism with reflection. However, if the intervention occurs despite all this, shattering our will for peace, disregarding the solidarity that attempts to avert it, then we must be prepared to confront it and to defeat it. We are going to confront intervention, not to die, but to live, not to be defeated but to triumph. With the war of the peoples, with the People's Army, with the people who are the Army, we are going to triumph.

We do not have the slightest doubt that victory will be ours, that we will make the enemy bite the dust of defeat, and that the sacrifices that we will offer in the defense of the fatherland will be the sacrifices of our peoples in defending the peoples and countries of Latin America. [applause] The sacrifices we will make are the sacrifices of this heroic people in the defense of humankind.

Just like the Sandinists of yesterday, like Julio Buitrago, like Jose Benito Escobar, the Sandinists of today, the Nicaraguans of this dramatic and glorious hour, do not know — Messrs imperialists, Messrs reactionaries, enemies of man in all the latitudes of the world -- we do not know any other alternative than final and definitive victory of these people, who were born to triumph, these people who were born for glory, these people, who were born to enter the glorious pages of history. Free fatherland, [crowd responds: "Or death!"] [applause]

ARCE ON FSLN 'PURGES, FRIENDLY SEPARATIONS'

PA181547 Managua Radio Sandino in Spanish 1930 GMT 17 Jul 85

[Text] Commander Bayardo Arce Castano pledged yesterday to set things straight where they are amiss and clear them up where they are unclear. He was speaking before the Jose Benito Escobar assembly of veteran FSLN collaborators in Matagalpa. Arce, who presided over the event in his capacity as member of the FSLN National Directorate and coordinator of the FSLN Political Committee, stated that the Sandinist Assembly, the FSLN's highest consultative body, will examine the process of Sandinist reaffirmation begun in 1984 during its late July meeting.

The veteran FSLN collaborators in Region 6, particularly those of Matagalpa, made their concern and difference known to the Sandinist leader, who urged them to form an association, a moral and political group to oversee the revolution.

He warned them that although many FSLN members are or have been bad party members or have even betrayed the revolution, their participation in an oversight organization must not make them excessively harsh or arrogant judges, because that would contravene the revolutionary spirit all Sandinists must possess. The FSLN cannot renounce its right and obligation to change society; to do that would mean that the FSLN renounces its role as leader of an authentic revolution, Arce Castano said.

The Sandinist leader responded to complaints and points of disagreement expressed by the assembly participants by indicating that the FSLN National Directorate is examining a financial reorganization aimed at eliminating the illicit activities that have recently been reported in state-run concerns.

He stressed that the veteran FSLN collaborators must be overseers who help pinpoint errors in the revolution without becoming sacrosanct or inaccessible judges. He said that attempts are being made to reorganize the FSLN's rank and file, purging it and separating those members who want to stay from those who want to leave as friends.

COMMANDER HUGO TORRES ON CONTRA CASUALTIES

PA190142 Managua Radio Sandino in Spanish 1200 GMT 18 Jul 85

[Text] From 10 to 15 July the German Pomares Unconventional Warfare Battalion [BLI] inflicted heavy casualties on the Diriangen and Segovia counterrevolutionary commando units. Yesterday, guerrilla brigade Commander Hugo Torres Jimenez stated that as a result of the heroic actions of the German Pomares BLI, the contras suffered 88 deaths, 11 wounded, and 16 captured in the northeastern part of Wiwili.

Upon recounting the casualties inflicted on the mercenaries during 1985, Hugo Torres said that 2,300 CIA mercenaries have been killed by the Sandinist People's Army.

MERCENARIES REPELLED BY EPS IN NUEVA SEGOVIA

PA181920 Managua Radio Sandino in Spanish 1750 GMT 18 Jul 85

[Report by Jaime Zamora, correspondent in Esteli -- recorded]

[Text] For the past 25 days some 800 mercenaries of the Segovia Regional Command have been trying to destroy the settlements at San Bartolo, Banadillo, El Coco, and Santa Julia, and to occupy the villages of Jicaro, Quilali, Wiwili, and Burra to hinder the celebrations of the sixth anniversary of the revolution.

At the same time, the Somozist mercenaries intend to block land communication between Wiwili, San Juan of Rio Coco, Sususcayan, and [word indistinct], said Lieutenant Jorge Almendares, Interior Ministry representative in the Quilali region. Almendares said that these criminal actions are being supported by the [word indistinct] regional command, operating is south Quilali and northern Pantasma. He praised the support of the territorial militia forces of the settlements and the youths of the Patriotic Military Service. They have inflicted heavy setbacks on the Somozists, who now avoid confronting the Sandinist People's Army [EPS] forces, he concluded.

PLI'S GODOY ON 'CHAOTIC' NATIONAL SITUATION

PA131906 Managua LA PRENSA in Spanish 9 Jul 85 pp 1, 8

[Text] The government's control of the workers unions, a mistaken foreign policy, and the constant violation of the political agreement are, in the opinion of Virgilio Godoy Reyes, president of the Independent Liberal Party [PLI], some of the negative aspects of the Sandinist government which, in the process, altered the political project that was the great hope of the Nicaraguan people but which is now their biggest disappointment.

Godoy said that the Nicaraguan people know all about the beginning of the revolutionary process and also the persons responsible for the country's chaotic situation. The party that is ruling the country has not given the people any more freedoms than we had prior to 1979. Today our freedoms are limited, political activities are controlled, and the process of democratization is still a dream that does not come true, said Godoy.

I have said before that Nicaragua never had an economic crisis such as the one we are experiencing and which is becoming worse year after year, except during the early 1940's when some articles were rationed because of World War II. As far as I can remember, Nicaragua never had a shortage of products nor an inflationary process like the one we are experiencing today. The government says that the revolution was carried out for the workers and peasants, but they are precisely the ones complaining the most because they are the ones being hit the hardest by the economic crisis.

It is true that wages have been increased on five occasions since 1979, but it is also true that prices have been increased on 20 different occassions, thus nullifying the wage increases and forcing the peasants and workers to tighten their belts as a result of the government's negative economic policy.

Let me refer to matters related to health and education. In education, an advance was achieved during the literacy campaign and the education program for adults. However, the government is disappointed because this year's enrollment is lower than last year. Not long ago the government said that approximately 1 million students are enrolled in school, but the real number of students enrolled in school is 700,000 to 750,000.

Some progress has been made in preventive medicine through vaccination campaigns and environmental sanitation, but in medical and hospital services there has been a definite retrogression. These services are worse every day, although according to official reports the number of doctors has increased. However, everyone is aware of the poor medical attention and the complaints regarding several health centers that were inaugurated but never functioned and were closed due to a lack of personnel. Although there have been some advances, if we make a general inventory of all the state's services we cannot help but recognize the fact that the government's achievements in the field of health are negative.

The same can be said of the cooperative movement, which was very promising in Nicaragua. The kind of cooperative they tried to establish was never able to function, and its productive capacity has been extremely low. All of the cooperatives have had to be subsidized and never have been able to support themselves.

In foreign affairs, the results have been unpredictable. It was believed that under the nonaligned principles Nicaragua was going to establish balanced, interdependent relations with most countries, but the line followed by government officials in favor of the Soviet bloc resulted in a series of international conflicts which have become real problems. The poor judgment shown by our country in international relations had deprived the Nicaraguan Government of the goodwill that the Latin American governments could have shown us.

It looks as though the Nicaraguan Government has been trying to make enemies instead of friends. I definitely think that in 6 years of revolution the failures have been greater than the successes.

Most of the government's mistakes and failures are due to the centralization of the administration, the workers unions, and political power. For instance, in 1978 the bureaucracy was estimated at 30,000 workers; 5 or 6 years later the bureaucracy has tripled, and there is an accelerated bureaucratization process characterized by its inefficiency. The state has become a big employer, but this is not the problem; the problem is in the management of public affairs.

The government has closed many businesses that it seized and the ones that are still functioning are reporting continuous losses. There is also the aim to monopolize political activities, which has yielded poor results for the government.

The objective has been to try to eliminate the political forces opposite the FSLN, the official party, and the Nicaraguan people have not responded to the ruling party's efforts. The poor results are not only due to its inefficiency and incompetence, but also because it is almost as corrupt as the previous regime. The scandals in the ministries and other government departments are publicly known. In other words, there is not one single aspect in which the 6 years of process show any positive results. For instance, the July Victory Sugar Mill will never yield any benefits and has been operating at a loss from the moment it was inaugurated.

In relation to foreign policy, Godoy said that it had three aspects: 1) to seek an intimacy with the countries of the Soviet bloc, headed by the USSR, Cuba, and other countries of that ideological line in Asia and Africa; 2) the neglect of foreign policy that consists of maintaining good relations with neighbor countries, which at this moment could not be worse; and 3) the neglect of relations with Latin American countries, except with Mexico, for which there is a special reason. It has also tried to establish relations with Western Europe, but in a special way: profitable relations with these countries for what it can obtain from them, but its sympathy and devotion is to the countries of Eastern Europe.

Financial relations with Western Europe are encouraged, but with Eastern Europe relations are more fraternal.

We all know this has also caused the government problems. There is another attitude of the government with regard to the Contadora Group, which has been working for over 2 years on behalf of peace. This attitude consists of the Nicaraguan Government causing unnecessary problems, such as the Urbina Lara case, which rapidly deteriorated relations with Costa Rica and caused a crisis in the Contadora Group with the government's unexpected withdrawal from the discussions because one point not included in the agenda was not accepted for discussion.

As you see, there are many mistakes we could consider serious because while the Contadora Group is doing its best, Nicaraguan Government officials are asking other governments to act as mediators, including European and South American countries. I also think they asked Canada. I think that this action is "to undermine" the Contadora Group.

Nicaragua's foreign policy has only been successful on paper. In the specific case of North Americans, it has been a constant duel while the real war is going on. The Nicaraguan Government and the U.S. Government have expressed their desire for peace, but are doing everything to continue the war.

"I believe that policies and speeches do not match," he said. The overall balance is a negative one. "Nicaragua's foreign debt has increased fourfold under this administration." It would have been better not to count that among our accomplishment. This is an unprecedented problem. We ignore where, when and how those $4 million were invested.

Loans continue to be negotiated and concluded despite the fact that Nicaragua's inability to meet them is commented on privately. This is inconsistent. Every time government officials travel they hold their hats out to see how many donations they can bring home, thus further increasing our commitments abroad. The evaluation deserves exhaustive study but, in overall terms, we can say that 6 years after the triumph of the revolution we are deeply in the red, said Godoy.

ARDE REPORTS HARASSMENT OF SANDINIST POSITIONS

PA180416 San Jose Radio Reloj in Spanish 1200 GMT 17 Jul 85

[Text] A spokesman for the anti-Sandinist Revolutionary Democratic Alliance [ARDE] has reported that ARDE members have been harassing (La Quezada), in the Nicaraguan department of Nueva Guinea, since 27 June. The source said that this important farm area may be occupied at any time by the guerrillas of the alliance, which is commanded by Eden Pastora. The ARDE spokesman said that harassment of the Sandinist Army positions at (La Quezada) began on 27 June and that a squad of ARDE's Andrea Battalion inflicted six casualties on the Nicaraguan regulars.

CHAMORRO SAYS UNITY WITH PASTORA 'NOT NECESSARY'

PA180356 San Jose Radio Reloj in Spanish 1200 GMT 17 Jul 85

[Text] San Juan, Puerto Rico -- Commander Fernando Negro Chamorro asserted yesterday that unity with the top leader of the Revolutionary Democratic Alliance, Eden Pastora, is not necessary to fight the Sandinists. He added that he would agree to having the United States invade Nicaragua. Chamorro, who leads one of the insurgent groups, admitted that Pastora has not joined Front One [Frente Uno], which has brought together most of the rebels. We think this alliance is important but not indispensable, he noted.

REPORTAGE ON CTC-SPONSORED TRADE UNIONS CONFERENCE

Issues Call for Unity

FL162340 Havana Domestic Service in Spanish 2130 GMT 16 Jul 85

[Text] A unity call for Latin American trade movement to face the serious economic crisis and to refuse to pay a debt which was not incurred by workers, has characterized the morning session of the trade conference discussing the subject. Commander in Chief Fidel Castro, president of the Councils of State and Ministers, followed all comments made by those participating at the second day of the meeting, which is considered as the most representative of the trade union movement in past decades.

Castro Attends Session

FL161857 Havana Domestic Service in Spanish 1700 GMT 16 Jul 85

[Text] With Commander in Chief Fidel Castro, president of the Councils of State and Ministers, in attendance, the activities of the Latin America and Caribbean trade union meeting on the foreign debt have continued in the Palace of Conventions here in the capital.

Representatives of various peasant and labor organizations from Guadeloupe, Mexico, Venezuela, Jamaica, Guatemala, and Costa Rica, among other countries, have already addressed the more than 300 hemispheric unionists. In general, the delegates this morning coincided in criticizing the grave consequences of the foreign debt on the living conditions of workers and people in general in their respective countries.

The statements of Julio Bermudez, president of the coordinating commission for Latin American and Caribbean agricultural workers and peasants, were very well received by those in attendance. Bermudez said:

[Begin recording] Who pays us for the millions of dollars which, as the product of the exploitation of workers and peasants, have ended in the pockets of the transnational monopolies? But they are cynical and shameless enough to try to impose on us disgraceful and humiliating conditions, which we will not tolerate regardless of the cost. [end recording]

Among all speakers there has been consensus about the need for unity among Latin American and Caribbean workers in order to find a joint solution to the problems posed by the unpayable foreign debt.

This morning's work session was presided over by Cesar Olarte, of the Central Organization of Venezuelan Workers, and Milton Gomez, labor director of the Bolivian Miners Federation, an affiliate of the Bolivian Labor Federation.

Debtors Strike Suggested

FL162219 Havana Domestic Service in Spanish 2030 GMT 16 Jul 85

[Excerpts] At a session of the trade union meeting currently under way in this capital, the delegate of Trinidad and Tobago, (George Wick), provided figures and other data on his country's difficult economic situation. (Wick) called for a general strike of debtors from the so-called Third World, a collective action intended to make the trade union movement's demands bear fruit and to change the present situation, which does not permit development.

At the afternoon session, Colombian delegate Daniel Libreros stressed Commander in Chief Fidel Castro's assertions on the impossibility of paying the foreign debt.

According to the Colombian delegate, the working class cannot maintain the slightest confidence in the ruling classes because they are cowardly, and only the united mobilization of the peoples will make foreign capital step back. He also reiterated his delegation's support for the formation of a coordinating board of the Latin American and Caribbean trade union movement to confront all current economic ills.

Later, Marta (Gricot), member of the national executive board of the Confederation of Education Workers of the Argentine Republic, said that the grave economic crisis affecting America and the Caribbean endangers our countries democracies. After stressing the importance of this foreign debt event, (Gricot) said that unless changes occur in the region's economic structure, we will witness a social explosion.

Castro Presides Over Second Day

FL170239 Havana Television Service in Spanish 0000 17 Jul 85

[Text] The second day of the labor union conference of Latin American and Caribbean workers on foreign debt continues and an unanimous idea has been consolidated that the foreign debt cannot be paid and cannot be collected.

This afternoon's session has been characterized by concrete propositions to face the foreign debt so that Latin American countries stop foreign debt payments; demand the cancellation of agreements signed between the governments and the IMF; that the foreign debt be discussed politically without intermediaries, so that series of meetings can be held to promote the nonpayment of the foreign debt; and that transnational enterprises be nationalized.

With differences in shades and methods, according to the situation of each country, trade union leaders have talked about the cruel and discouraging realities of their countries. They have referred to some governments' claims that say the foreign debt can be paid and about the cry which is already being heard in America against those unpopular opinions.

According to the regulations approved by the delegates, this session was being presided over by Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba's Central Committee; Politburo member Jorge Risquet Valdez; and Roberto Veiga Menendez, alternate member and Central Organization of Cuban Trade Unions general secretary. The Latin American and Caribbean workers trade union conference is searching for unity in its actions because it is the consensus that the foreign debt cannot be paid.

Mexican Delegate's Remarks

FL162020 Havana Domestic Service in Spanish 1400 GMT 16 Jul 85

[Text] At the trade union meeting currently under way in this capital, Mexican workers' representative Roberto Castellanos stressed the impact caused by Commander in Chief Fidel Castro's assertion that the foreign debt is unpayable. According to Castellanos, workers refuse to continue paying the foreign debt which is not merely a technical problem for Latin America because it has political overtones. Castellanos denounced the pressures exerted on his country to make it abandon the Contadora Group, as well as the U.S. policy of rejection of his country.

He called for Latin American unity in the face of the foreign debt problem and for finding joint formulas to resolve the area's current economic situation. Finally, he predicted that the future belongs to the Latin American trade union movement.

For her part, at the meeting's morning session, Guadaloupe representative Dorothy (Line) denounced the international private banks' intentions. According to the delegate, colonialism separated us in the past and now imperialism and the financial organizations of the West seek to separate us further by implementing policies marked by plunder and economic oppression.

(Line) provided data and figures to describe the chaotic situation of the people of Guadeloupe, where nearly 40 percent of the population is unemployed. After reaffirming her solidarity with Cuba and Nicaragua, she stressed that the expenses incurred by corrupt governments should not be paid and therefore, the foreign debt is unpayable.

Unionists Condemn IMF

FL171830 Havana Domestic Service in Spanish 1700 GMT 17 Jul 85

[Excerpts] The third day of sessions of the Latin American and Caribbean workers trade union conference has been under way at the Palace of Conventions here in the capital with Commander in Chief Fsdel Castro, president of the Councils of State and Ministers, in attendance.

As on previous occasions, during this morning's session, the delegates who addressed the event denounced the grave consequences of the foreign debt and the economic crisis for the living conditions of hemispheric workers and peoples in general. Condemnation of the interventionist IMF policy and opposition to payment of the foreign debt are also commonly expressed views at this forum in which over 300 Latin American unionists are participating. In addition, the need for Latin American workers to create a united front has been repeatedly mentioned by several of the delegates who spoke at this morning's session.

The delegates are now in recess; the work sessions will be resumed at 1500 local time.

Puerto Rican Delegate Address

FL172224 Havana Domestic Service in Spanish 1814 GMT 17 Jul 85

[Text] During the resumption of discussions at the trade union conference being held in Havana, Puerto Rican delegate Luis Amauri Zallas pointed out the colonial conditions the United States has subjected the island to. Likewise, he denounced the increase of U.S. military presence in Puerto Rico, to which the Pentagon has assigned a military mission to implement the U.S. hegemonic policy in the area.

My country's foreign debt is not with the IMF but with Wall Street because the U.S. federal funds are used to finance the work of the U.S. transnationals on the island, the Puerto Rican delegate pointed out.

Luis Amauri Zallas supported the creation of a wide continental front to face the Latin American foreign debt and called on the delegates to support the creation of a new economic order.

Castro Holds Reception

FL181251 Havana Domestic Service in Spanish 1100 GMT 18 Jul 85

[Text] Commander in Chief Fidel Castro has held a reception in Havana's Palace of Conventions for the delegates of the Latin American and Caribbean trade union conference on the foreign debt. Sixty-six delegates have spoken during the conference, whose third working session was attended by Castro, the highest Cuban official.

Conference Drafts Document

FL190122 Havana Television Service in Spanish 0000 GMT 19 Jul 85

[Excerpt] The Latin American and Caribbean trade union conference on the foreign debt continues tonight at Havana's Palace of Conventions with the discussion of the draft of the Havana Document draft. Discussions of the draft of the Havana Document, which is a description of this Latin American and Caribbean trade union conference on the foreign debt, used a considerable portion of this morning's session of the conference's fourth day.

The Havana Document draft was prepared with the input of the 313 labor union members of 29 countries attending the conference, represented by 80 delegates who addressed the meeting. The Havana Document proposes in one of its six pages the adoption of measures that will achieve the cancellation, moratorium, or postponement for a determined number of years of the payment of the foreign debt and its interests. It says the conference constituted the widest, most united, and representative event held by the organized trade union movement of Latin America and the Caribbean and that the majority of the participants who addressed the conferences supported the view about the cancellation of the foreign debt.

Commander in Chief Fidel Castro attended this session. Interesting comments were made about this document and making it an action instrument in each country. The reporter commission, in charge of preparing it, has been working all afternoon in writing it, using each one of the delegation's contributions. Two other important aspects included in the Havana Document are the support of all regional or subregional meetings on the foreign debt and a continental act against the foreign debt.

At this moment, the work session should resume at the Palace of Conventions and tonight's first matter will be the reading of Havana Document for its discussion and approval.

Delegates Discuss Document

FL190038 Havana Domestic Service in Spanish 2300 GMT 18 Jul 85

[Reports by Juan (Binsa) from Havana's Palace of Conventions]

[Excerpt] The Latin American and Caribbean trade union conference being held in Havana's Palace of Conventions today began its final session when the reporters commission document was submitted for discussion. With the attendance of Fidel Castro, Cuba's president of the Councils of State and Ministers, the 300 trade union members began to discuss the document.

The text, which the reporters commission proposes to be called the Havana Document, includes views expressed by representatives of the 190 trade union organizations attending the conference.

In its substantive section, the document says the majority of the delegates requested that the foreign debt and its interests be canceled. It also makes reference to other speakers' proposition that the foreign debt be delayed for an indefinite period of time or a moratorium be called.

Castro Addresses Conference

PY181932 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1510 GMT 18 Jul 85

[Text] Buenos Aires, 18 Jul (NA) -- Cuban President Fidel Castro termed "courageous" and "exemplary" Argentina's economic emergency plan and lashed out at the "lack of action and aloofness of Western governments" toward the "crisis stemming from the foreign debt Latin American countries have to cope with," a crisis that "can have crucial effects on the political stability of the Western Hemisphere." Castro stated that "most Latin American governments have reacted to this crisis with courage and determination," adding in this regard that "the drastic program of reforms that President Alfonsin has announced is a good example of this attitude."

Yesterday the Buenos Aires radio station El Mundo carried portions of the speech with which the Cuban leader closed the Latin American trade union conference in Havana, during which the regional foreign debt was discussed. Castro voiced his hope that a solution will be found to the problem of the foreign debt: "In any case there will be solutions; we should not be discouraged," he said. He went on to say that "the people want a peaceful solution" to the foreign debt problem and explained that "unless something is done in this direction perhaps people will start thinking that they should move in the opposite direction."

Castro added that, now that "we are making this enormous peaceful effort, it should be helped along with a few ideas; but as far as I am concerned, the main thing is that this debt can give us a sense of unity and the strength to talk with them on an equal footing. Otherwise we will have no choice but to revolutionize the world, and that is what we will do." Castro stated that "the banks or the international financial institutions that have been negotiating the debt are not the main culprits" of the crisis of Latin American nations." He stressed that "they have gone to the limit of what profit-oriented corporations can endure, and what the charters of the international organizations allow."

He went on to say that "even head of U.S. Federal Reserve Paul Volker has been heroically keeping things under control in his country, almost entirely on his own. However, the Federal Reserve cannot fill the vacuum left by the lack of action of Western governments, which remain aloof from a process that may have crucial effects on the political stability of the Western Hemisphere."

Castro stated that "we need the support of the workers and public opinion in the capitalist countries involved; we are not," Castro said, "proposing death or nuclear war. Those countries are obsessed by peace and unemployment. Thus, we are proposing formulas that may reconcile the interests of public opinion, the people and the workers of the United States, Japan, England, Europe, and our own interests." Castro explained that "I am talking about the interests of the people. What cannot be reconciled are the interests of the system with those of our peoples." He added: "We are also telling them that if they do not want pragmatic changes or violence, we must resolve the problem this way. "However," he said, "since in any case the crisis is very serious, if something is not done in this direction, conditions will be created for moving in the opposite direction."

23 Oct Approved as 'Action Day'

FL191218 Havana Domestic Service in Spanish 1100 GMT 19 Jul 85

[Text] With shouts of unity and without any negative votes or abstentions, the Havana Document [Acta de la Habana], was approved by the participants in the Latin American and Caribbean trade union conference on the foreign debt, which concluded after 4 days of sessions. Commander in Chief Fidel Castro closed the conference with a dialogue.

The meeting is being called the most important of the national workers' movement in the last few years. In the Havana Document, the delegates to the conference call for the annulment, moratorium, or indefinite postponement of the foreign debt and its interest. It was also agreed that October 23 will be the Day of Action Against the Foreign Debt, and Castro suggested it could be extended not only to the trade unions but also to political organizations, continental masses, students, peasants, and women.

Conference Closes

FL182130 Havana Domestic Service in Spanish 2030 GMT 18 Jul 85

[Excerpt] The plenary sessions of the Latin American and Caribbean trade union conference on the foreign debt closed at 1420 local time, with over 300 participating delegates in attendance. This afternoon the Reporting Commission will finish drafting the conference's final document, already known as the Havana Document, which unanimously stresses that it is impossible to pay the foreign debt and its interest. A point unanimously approved during the discussion of the final document concerns the annulment, moratorium, or indefinite postponement of the foreign debt and its interests. Commander in Chief Fidel Castro participated to explain this subject. The union leaders meeting in this capital agreed that this conference has made a historical contribution to the goal of struggling against the foreign debt.

30 JULY MEETING ON FOREIGN DEBT VIEWED

PA170429 Havana International Service in Spanish 0000 GMT 17 Jul 85

[Station commentary]

[Text] Latin American personalities will meet to discuss the foreign debt in Havana on 30 July. This meeting is of great importance for the future of the continent. As a matter of fact, a statement published yesterday by the Cuban newspaper GRANMA explains the importance that this meeting in Havana will have for the continent. This meeting will be held on 30 July and will be attended by prominent political, social, and scientific personalities of the area, as well as by leaders of democratic parties of all persuasions. The sole objective of the meeting will be to analyze, in an open and frank manner, the regional economic crisis, especially the huge foreign debt. It is not, like some imperialist spokesmen are trying to make believe, a meeting of heads of state and governments sponsored by the Cuban authorities. It will be a dialogue among the representatives of the various persuasions, all concerned about the future of Latin America and the survival of the peoples of the region.

This meeting undoubtedly causes concern among those who have looted our region for centuries. This is why the imperialist agents of sabotage and subversion are making plans against the continental dialogue. And the White House is attempting to pressure the personalities who are willing to meet in Havana.

The biggest creditor in the region, the number one looter of our nations, the creditor that has filled its chests with our misery, is attempting at all cost to stop not only the Latin American freedom movements but also our right to deliberate with responsibility and sensibleness over the future of our nations. We can expect that in the next few days imperialism's diversion and division activities will increase. Imperialism will use its old tricks to attempt to sow unrest, doubt, and apathy, among many social and political forces of the area. Imperialism tried it, to no avail, with the Latin America and Caribbean workers conference on the foreign debt, which is being held in our country. However, like in the past, we are sure those plans will fail because at stake today is the region's survival and in this type of combat there is nothing that can create an insurmountable barrier.

CASTRO, U.S. VISITORS DISCUSS ECONOMIC TIES

PA180052 Havana International Service in Spanish 0000 GMT 17 Jul 85

[Text] During an interview with U.S. Congressman Mervyn Dymally and academician Jeffrey Elliot, published recently by the Cuban press, President Fidel Castro said that a hypothetical renewal of economic relations with the U.S. would not imply important or essential benefits for Cuba. Fidel Castro also said that the U.S. has fewer and fewer things to offer Cuba. The top Cuban leader said: If we export sugar, and the U.S. is cutting all of its sugar imports -- the quota of many Latin American countries has been cut to practically zero -- then what sugar can we sell to the United States? Castro said that if the United States severely restricts the import of steel from Latin America, and we can export some steel for construction, there would be no market for our steel in the United States.

During the interview with the two U.S. personalities, Fidel Castro also said that if the United States imposes miserable textile quotas on the Latin American countries and continues to protect their textile products, then we, who have built new and modern textile factories and modernized and expanded many of the old factories, would find no market in the United States. After stating that in the area of tourism Cuba could profit somewhat, the top Cuban leader stressed: If relations with the United States return to normal some day, no one should think that we will begin buying Cadillacs or luxury items from the United States. He continued: We have no intention of investing a single cent in luxury items. Let them continue to export those items to other Latin American countries, to the millionaires and wealthy people who have the money to spend on those things even if their countries receive no benefits from such purchases. On the contrary, those countries probably incur more debts, and more money is squandered when such purchases are made.

During his talks with U.S. Congressman Mervyn Dymally and academician Jeffrey Elliot, Fidel Castro expalined: If trade relations between Cuba and the United States were renewed tomorrow, and if we were able to export our products to that country, we would have to draft plans for new production aimed at future exports to the United States. Castro added: We would have to take from the socialist country's quotas to sell to the United States. However, the socialist countries pay us much better prices, and our relations with them are much better than those with the United States. Castro noted that citrus products, a large part of the sugar and nickel production, and other products are exported to the socialist countries that not only pay prices much higher than those the U.S. would pay and sell us their products at a lower price, but they also charge less interest for loans and renegotiate the debt at 10, 15, and 20 years without interest. The Cuban leader said that the trade embargo imposed on Cuba more than 20 years ago caused damages to our economy totaling $10 billion and added that the deprivation of the sugar quota and the difference in price between the U.S. market and the world market represented heavy losses for Cuba.

In expanding on the effects on Cuba due to the U.S. blockade, Fidel Castro told Dymally and Elliot that there are things that still hurt because human harm was also inflicted. If you, said Castro, cannot buy a piece of medical equipment that is only manufactured in the United States or medicine needed to save a life, the consequences of the blockade are no longer economic, rather they become of a human nature. In conclusion, he reiterated to the two U.S. personalities that Cuba has resisted the blockade for 26 years and that it can continue to do so for another 100 years because we have learned valuable things from this situation. We have struggled to find solutions, and we have found them, he said. We have taken pride in our work, and we have turned the U.S. economic aggression into an encouragement.

SURINAME'S BOUTERSE DISCUSSES FOREIGN DEBT

FL170138 Havana Domestic Service in Spanish 2300 GMT 16 Jul 85

[Text] Suriname's head of state, Desire Bouterse, has asserted that his country assumes a solidary position with Latin American countries on the discussions of the foreign debt payment. In a recent speech delivered at the 25 February Movement, a political group he heads, Desire Bouterse said his government supports the Latin American countries which are unable to reimburse the total amount of their foreign debt with the capitalist West.

NICARAGUA'S ORTEGA ON REVOLUTION'S ACCOMPLISHMENTS

PA182307 Havana International Service in Spanish 0000 GMT 17 Jul 85

[Interview with Nicaraguan President Daniel Ortega by Luis Cabrera, PRELA correspondent in Managua; date, place not given -- recorded]

[Text] [Cabrera] Commander Daniel, today the accomplishments and plans of the revolution are the object of comment. Would you tell us the major accomplishment that has taken place in Nicaragua as the revolution reaches its sixth anniversary?

[Ortega] The most important accomplishment is the Nicaraguan people's determination, disposition, and dedication to the defense of the revolution. This has allowed the revolution to grow stronger and advance though, I must concede, at a very high cost. However, let us say that the fruits of this effort are there for all to see, as the counterrevolutionary contingents have been expelled from the country. Only small units remain, while we have recovered border areas that were formerly occupied by the counterrevolutionary forces that operate from neighboring countries. I believe that the military effort to defend the revoltuion is the most important one. To this we must add the efforts that have been made in the economic and production sectors, and also in foreign policy.

MANY JOIN NICARAGUAN FOREIGN MINISTER IN FAST

PA181939 Havana International Service in Spanish 2310 GMT 17 Jul 85

["Our America" commentary]

[Text] On 6 July, Nicaraguan priest Niguel D'Escoto initiated a fast for peace and against the aggressive policy that the government of U.S. President Ronald Reagan is waging against Nicaragua.

This decision to fast is spreading throughout this Central American nation as a form of struggle for national sovereignty.

The mothers and other relatives of nine young people kidnapped by mercenary bands of the so-called Nicaraguan Democratic Force [FDN] have been fasting since last Friday demanding the return of their children, whose only crime is that they were teaching peasants from the northern region how to read. In several cities there have been periods of fasting in solidarity with D'Escoto, who was visited on Saturday by members of the nine battalions for Unconventional Warfare. The visit took place in a small room in Managua's Sacred Heart Church. A Moravian pastor and U.S. citizens who live in Nicaragua and who have condemned the hostile policies of the Reagan government against Nicaragua have also joined D'Escoto in his fast.

In spite of the fact that the Nicaraguan Government has done everything possible to maintain peace in the Central American region, Washington has maintained a completely opposed position. Washington has been openly demonstrating this position by creating obstacles to the Contadora Group's peace effort and by means of the aggressions being carried out by the mercenary bands that attack Sandinist territory from Honduras in the north and from Costa Rica in the south.

There is no doubt now that U.S. imperialism does not want peace in Central America and that its objective is to carry out a direct military invasion of Nicaragua. D'Escoto has told the media that Washington has already decided to invade Nicaragua and that all Reagan has to do now is artificially create an incident to win U.S. public support. For this reason, Miguel D'Escoto said, the time has come to denounce this uneven war by means of dramatic testimonies and nonviolent actions to make known what is being done against Nicaragua.

D'Escoto said that he thought carefully before adopting the decision to fast for an indefinite period of time. The Nicaraguan foreign minister said that he will continue fasting until he ignites an evangelical insurrection that will put a stop to the threat of a direct U.S. invasion of his country.

Relatives of teachers kidnapped by the FDN last year and at the beginning of 1985 are on a hunger strike. They have been visited by Nicaraguan head of state Daniel Ortega, who stated his government's support for their movement, which they plan to continue until their sons are returned. This group has noted that they decided to occupy the Red Cross building in Managua to begin their fast after having fruitlessly knocked on the doors of the Honduran Embassy. These parents have said that they are almost certain that their children are in the camps that the mercenary elements have near the Nicaraguan border because Efrain Mondragon, a former Somozist guard who founded the FDN and later deserted and accepted amnesty, has told them that he saw one of the kidnapped young women in a place known as Las Vegas.

The parents on hunger strike have received a note from the International Red Cross headquarters in Geneva informing them that efforts are being made to try to resolve the situation of the people kidnapped by the anti-Sandinists.

The protest of the Nicaraguan priest has had an international impact since religious and political organizations have expressed their support for D'Escoto's call to stop the aggression against Nicaragua.

The members of the religious organization [name indistinct] will meet in Washington and New York to decide on solidarity measures. D'Escoto has received many messages supporting his decision to fast indefinitely so that the world will reject the Machiavellian Yankee plan against Nicaragua. Those messages have come from Argentina, Mexico, Cuba, and the United States.

COMMENTARY VIEWS UPCOMING HAITIAN REFERENDUM

PA182019 Havana International Service in Spanish 0000 GMT 15 Jul 85

["Our America" commentary]

[Text] In the midst of misery and total repression, the regime headed by Jean-Claude Duvalier is laying the groundwork to legitimize his president-for-life status, and to create a prime minister position in Haiti.

The dictatorial regime has justified the 22 July referendum on the basis that there is a strong opposition that rejects the current government system. In this manner, Duvalier has admitted that the presumably democratic reforms announced in April are rejected by the opposition, which demands an end to the current government structure that is based on his absolute power.

Fourteen years after Duvalier inherited the presidency-for-life on 22 April 1971, following the death of his father Francois Duvalier, terror and superstition are still being sowed in that small country of 6 million inhabitants, in order to maintain the nation's frail stability. The inherited presidency-for-life was self-invested by Francois Duvalier in 1964. Jean-Claude now intends to legalize it through a fraudulent referendum, which will be carried out without much problem, since the political opposition is banned and the government exerts total control over the electoral system.

In addition, Jean-Claude Duvalier's regime has the unconditional support of the United States, since Haiti is considered a paradise for the transnational enterprises in view of the measures of terror implemented by the Haitian authorities.

Furthermore, Duvalier has nothing to worry about regarding the referendum, since the voter lists are easily manipulated by the regime's political agents, in view of the fact that the illiteracy rate is 80 percent, and the population has been crushed by the boot of terror for 28 years.

Duvalier intends to hold on to the presidency-for-life by convoking a referendum that will take place prior to the date on which the promised reactiviation of political organizations will be implemented, according to a law approved by the Legislative Assembly, a body that is under the total control of the regime's followers. Article 4 of this law specifies that the political organizations that wish to obtain their legal status must recognize the president-for-life as the supreme arbiter and guarantor of the national institutions' stability.

In addition, by creating the prime minister's position, the regime seeks to create a democratic facade. According to the draft bill, the initiative is aimed at strengthening the power of the Legislative Assembly, since that body will appoint the prime minister, who will guarantee the full support of the unicameral congress for the president-for-life.

In view of the threat that the regime would manipulate referendum, the internal opposition leaders published a nine-point document on 1 July, stating that the Haitian people have a right to vote freely, without any controls, as stipulated in the current laws and international conventions. The document stressed that no armed individual can stay near the polls, and that the opposition leaders will be able to move freely throughout the country and will have access to the communications and information. The document added that there should be a representative of the Haitian opposition at the polls in each municipality, and that the voting process should be supervised by a UN or OAS commission. If these, among other conditions are not guaranteed, the opposition will urge the Haitian people not to participate in the 22 July referendum, the communique concluded.

DOMINICAN PRESIDENT TO VISIT AREA COUNTRIES

FL181834 Havana Domestic Service in Spanish 1700 GMT 18 Jul 85

[Report by Teofilo Abreu from Santo Domingo]

[Text] Dominican President Salvador Jorge Blanco will leave for Buenos Aires, Argentina, on 23 July. The president will stay in that country for 2 days, after which he will travel to Montevideo, Uruguay, on the 25th for another 2-day visit. In both of these countries the president will hold talks with counterparts Raul Alfonsin and Julio Maria Sanguinetti, respectively. On the 27th the Dominican president will travel to the Peruvian capital to participate in the inaugural ceremony of President-elect Dr Alan Garcia.

SPANISH GOVERNMENT APPROVES TOURISM AGREEMENT

FL180131 Havana Domestic Service in Spanish 2300 GMT 17 Jul 85

[Text] Spanish News Agency EFE has reported in Madrid that the Spanish Government has approved a complementary tourism agreement with Cuba. According to EFE, the agreement includes the restoration of Havana's old area and the development of its infrastructure, market research, tourism marketing, and training of Cuban experts in publicity, public relations, travel agencies, and hotel legislation.

HEALTH MINISTER ATTENDS OPENING OF PAHO EVENT

FL162240 Havana Domestic Service in Spanish 2030 GMT 16 Jul 85

[Excerpt] The evident inability of both Latin America and the Caribbean to suitably use scientific discoveries on behalf of the majority of the population was stressed today at the opening of the 24th meeting of the Pan-American Health Organization [PAHO] research advisory committee, here in our capital. At the opening event, where Public Health Minister Sergio del Valle was in attendance, PAHO Director Dr Carlyle Guerra de Macedo stressed the ill-fated implications this has in the region in the face of the current economic crisis.

Cooperation Agreement Signed

FL180225 Havana Television Service in Spanish 0000 GMT 18 Jul 85

[Text] Cuba, Argentina, Bolivia, Mexico, and the Pan-American Health Organization [PAHO] have signed scientific, and technical cooperation agreements. The documents were signed by Dr Sergio del Valle, Cuban public health minister, Drs Guillermo Soberon and Aldo Neri, public health ministers of Mexico and Argentina, respectively. Mr Miguel Angel Flores Aloras, Bolivian charge d'affaires in Cuba, signed for Bolivia and Dr Carlyle Guerra de Macedo, PAHO director, signed on behalf of this organization. The agreement establishes the foundations for cooperation in human resource training, medicine production, medical equipment, exchange of technology, and other important matters for the development of public health in these countries.

GRENADA

POLITICAL PRISONERS OUTLINE NEW REQUESTS

FL181404 Bridgetown CANA in English 2133 GMT 17 Jul 85

[By George Worme]

[Text] St George's, Grenada, July 17, CANA -- Nineteen former top military and political officials, accused of murdering leftist Prime Minister Maurice Bishop in an October 1983 palace coup, have outlined a new set of requests as they prepare for their trial, due to start August 8. The group, which recently appealed better prison treatment, said a free and fair trial was possible only if what it called tremendous legal and political complexities of an unprecedented character were taken into account and thoroughly sorted out. The requests were made in a statement to the press, reportedly smuggled out of prison and presented to CANA by Ian Redhead, a former Army major and close associate of the jailed officials. Redhead was cleared of the murder charge. The defendants called for judge and jury selection procedures to be agreed upon by the defence, the prosecution, and the government. This is relevant in the context of the adverse, hysterical propaganda campaign waged by the American CIA (Central Intelligence Agency) and other Caribbean and local puppets against all 19 defendants, and especially aimed at the Grenadian population from which the jury has to be selected, the detainees said. Other demands include provision of access to the court by international bodies, individuals, and bona fide press persons selected by the defence, the return to Grenada of defence witnesses with safe conduct and no-victimization, no-discrimination guarantees. The 19 were arrested after a U.S.-led invasion that toppled Bishop's radical successors. The detainees include ex-Deputy Prime Minister Bernard Coard and his wife, Phyllis.

We see these as the basic minimum conditions for a free and fair trial. They are non-negotiable and without them none of us would participate in or give legitimacy to any farcical trial, the detainees said. Earlier this year, the group had demanded better food and medical attention, as well as easier access to relatives, lawyers, and books.

An eight-man Jamaican team of defence lawyers has been retained by the state to represent 17 of the officials. The Coards are seeking to have another Jamaican lawyer, Ian Ramsey, represent them. Meanwhile, informed legal sources said defence lawyers have already told the prosecution to expect very close scrutiny of jurors in the case.

POLICEMAN TAKES OVER AS COAST GUARD COMMANDER

FL181441 Bridgetown CANA in English 2136 GMT 17 Jul 85

[Text] St George's, Grenada, July 17, CANA -- A top Grenada policeman, Bernard Byer, has taken over as the island's Coast Guard commander. The Coast Guard, which is linked with the police force, had been managed by Jamaican security personnel since the October 1983 U.S.-led invasion of the island. The Jamaicans returned home last weekend. Byer, assistant superintendent of police, recently attended a number of training courses in the United States.

During a ceremony marking the take-over, he said Grenadians could feel safe when they went to sea because the Coast Guard was on watch around the clock and the crew members were enthusiastic about their job. According to Byer, the Coast Guard had carried out 26 successful rescue operations and saved the lives of 71 persons at sea since October 1983. Deputy Commissioner of Police Cosmos Raymond, who also spoke during the ceremony, said the Coast Guard stood ready to respond to any call to protect the nation as well as to offer assistance to boats and seafarers in trouble.

JAMAICA

LABOR MINISTER CALLS FOR PRICE, SALARY FREEZE

FL182211 Bridgetown CANA in English 1847 GMT 18 Jul 85

[Text] Kingston, Jamaica, July 18, CANA -- Jamaica Labour Minister J.A.G. Smith has called for an incomes and prices freeze as a method of dealing with the nation's economic problems. Speaking in the House of Representatives yesterday, Smith said: When you hear people talking about freeze, how many times do you hear them say let us freeze prices? He said that what is happening in the country is, to a large extent, influenced by international economic conditions. Smith, in a wide-ranging address in which he carefully skirted the tense labour scene, said that respect for the laws in the country is what is needed to assist the national growth and not more laws. The reference is seen as linked to the recent industrial unrest, in which workers in the essential services walked off their jobs and shut down the services.

ST LUCIA

CARICOM TRADE DEPENDS ON SUCCESS OF TRINIDAD PACT

FL182208 Bridgetown CANA in English 1844 GMT 18 Jul 85

[Text] Castries, St Lucia, July 18, CANA -- The speed with which St Lucia meets its commitments under a trade deal worked out by Caribbean Community (Caricom) governments will depend on the success of a new export arrangement with Trinidad and Tobago, according to Trade Minister George Mallet. Mallet, who is also deputy prime minister, told reporters the government here would wait to see how the pact with Trinidad and Tobago -- Caricom's most valuable market -- developed before taking steps to meet the commitments to the 13-nation community. Trinidad and Tobago recently agreed to relax some of its restrictions on trade with St Lucia, allowing the entry of garments for a period.

Caricom leaders promised to implement by August 31 the Nassau Understanding, a series of measures worked out in the Bahamas last year and aimed at easing the flow of intra-regional trade, at their summit in Barbados earlier this month. The Nassau Understanding calls for removal of protectionist policies hampering intra-regional trade, the raising of tariffs on a specified list of foreign goods to protect their regional equivalents and, in the case of the Windward and Leeward Islands, a 10 per cent increase in the domestic content of goods seeking to qualify for duty-free entry in the Caribbean Common Market countries. Mallet said: Within the next fortnight we should have a clearer picture of how the situation is improving in terms of our exports (to Trinidad and Tobago), and I am hopeful that the proposed arrangement will work out so that steps (may be taken) to satisfy the Nassau Understanding in respect to increased tariffs. The trade minister also spoke of St Lucia's position regarding the Caribbean Basin Initiative (CBI) -- President Reagan's trade, aid, and investment package for the Caribbean and Central America which began January 1 last year. He cautioned against faulting the working of the CBI, saying the initiative had only recently been launched. He told reporters that although St Lucia had not benefitted much from the CBI, there have been good reports of the island being considered for investments by persons who had visited St Lucia often. He said what we and other beneficiaries have been doing under the CBI, with the assistance of the commercial section of the U.S. Embassy, is having interviews with a number of business people or manufacturers in the U.S. that have been visiting the islands to examine the possibilities, looking at the facilities and incentives that were available and also the political and industrial climate. Mallet said such decisions were not taken overnight, and there could be months or even years before a project was launched.

ECONOMIC PROBLEMS DOMINATE ENVOYS' CONFERENCE

FL181338 Bridgetown CANA in English 2043 GMT 17 Jul 85

[Text] Georgetown, Guyana, July 17, CANA -- Guyana's severe economic problems are dominating the annual conference of heads of the country's foreign missions.

The two-week meeting opened Monday night to a call by President Forbes Burnham on the diplomats to concentrate their efforts on seeing how best you can help Guyana procure the machinery and equipment it needs to develop its resources and, thus, promote its development in a hostile international environment.

Theme of the conference is strengthening national self-reliance in a difficult international environment.

Guyana, its overall debt estimated at U.S. 1 billion dollars, is unable to import vital spare parts for industry because of a shortage of foreign exchange. Institutions like the Caribbean Development Bank and the International Monetary Fund and the United States, which frowns on Burnham's socialist policies, have cut off Georgetown's access to their funds because of loan arrears.

Armed intervention, or the threat of invasion, are not the only means by which countries like Guyana are subjected to pressures, as there are economic hostility and economic aggression, the strength and force of which we have felt, Burnham said.

This has manifested itself in ways such as the blocking of loans on soft terms from international lending institutions, and pressures on Guyana to enter into an agreement with the International Monetary Fund, he added.

Burnham said while we have not held or accommodated any *hostages, as a nation* we have accommodated what some circles consider hostile thoughts, and the nation's thoughts are now being tried.

Burnham said the international economic environment was difficult and debt-like death is always with us, but that Third World countries were in a good position to deal with their creditors.

If Latin America alone were to tell its creditors it could not pay its debt, there will be a lot of twitching amongst the creditors, he said, adding that Cuban President Fidel Castro, who has been advocating that the Third World's debt cannot be paid, has a point.

The conference ends on July 26.

MORE ON ARMS FIND BY POLICE, WPA REBUTTAL

FL182117 Bridgetown CANA in English 2010 GMT 18 Jul 85

[Text] Georgetown, Guyana, July 18, CANA -- Guyana police said today that 21 rounds of ammunition of the type used in high powered rifles were found by carpenters dismantling a building in the heart of Georgetown, which was allegedly occupied by the leftist Working People's Alliance (WPA) until last month.

Carpenters dismantling the building found a partially decayed cloth containing 21 rounds of ammunition of the type used in high powered rifles, and a 9-mm magazine, a police spokesman said.

The ammunition was allegedly discovered in a panelled wall of the Robb Street Building and after the arival of a police party, several people were questioned.

Reacting to the allegation, Rupert Roopnarine, chairman of the WPA Political Bureau said: It is well known that the party's office is located (at) 3A Queen and Holmes Streets, about half a mile from the area where the ammunition was said to have been found. The news savours of a plot to justify the National Security Act but I hope that better judgement would prevail, Roopnarine said.

The controversial act was passed on June 24 and provides for the detention without trial of persons for an indefinite period and gives more power to the Armed Forces and law officers.

Added Roopnarine: (The alleged find) is also a clumsy answer to WPA's recent letter calling on all political parties to declare publicly against the use of violence in Guyana's political affairs.

It is a cynical regime that attempts to accuse the WPA of planning sniping when it is the WPA that has been the victim of three assassinations, including that of our beloved brother Walter Rodney. Rodney, the WPA's best known leader, was killed by a bomb in 1980.

The WPA official also noted that it is currently mounting a campaign for free and fair elections.

PARAGUAY

JOURNALIST QUESTIONED, RELEASED; RESIDENCE RAIDED

PY181729 Asuncion EL DIARIO in Spanish 18 Jul 85 p 41

[Text] Journalist Edwin Britez was released last night after being held by the metropolitan police investigation department. The journalist was arrested on the afternoon of 16 July at the residence of his parents.

Britez told AFP that the police questioned him about the magazine NUESTRO TIEMPO, which appeared 1 week ago and deals with national issues. The director of the magazine is Bishop Melanio Medina. Britez was also asked to supply information on how the magazine got started and the people responsible for it, as well as about its editors and journalists.

Britez also revealed that the police raided his own residence and confiscated documents, books, and pamphlets, which were returned to him when he was released.

SURINAME

BOUTERSE HITS 'HYPOCRITICAL' NETHERLANDS TIES

PM181455 Rotterdam NRC HANDELSBLAD in Dutch 15 Jul 85 p 1

[Correspondent report: "Bouterse: Netherlands Must Withdraw Its Ambassador"]

[Text] Paramaribo-The Hague, 15 Jul -- Surinamese Army Commander Bouterse considers that the Netherlands should withdraw its ambassador from Paramaribo. In a speech to the progovernment 25 February Unity Movement organization on Saturday [13 July] Bouterse warned that "the Netherlanders must treat the Surinamese in a worthy manner, as we treat the Netherlanders here, becasue otherwise the situation could get out of hand."

Bouterse said that "the time may have come to advise the Netherlands to scale down its embassy in Suriname to charge d'affaires level until the Netherlands is prepared to maintain genuinely friendly and not hypocritical relations with Suriname."

Recently Suriname withdrew its Netherlands ambassador, Henk Heidweiler, as a gesture of political dissatisfaction. On the Surinamese side, relations with the Netherlands are now in the care of a temporary charge d'affaires. However, the Netherlands Government has refused to withdraw Ambassador Van Houten -- which would otherwise be the diplomatic practice. This morning the Foreign Ministry in the Hague again said that it was no reason to react to Bouterse's statements, because they had not been made through diplomatic channels. "That is why we are keeping the channels open" a spokeswoman said.

In his Saturday speech Bouterse asked whether it is still possible to speak of diplomatic relations with the Netherlands. He mentioned the negative broadcasts by Radio Nederland Wereldomroep beamed to Suriname, the payment of counterrevolutionaries by the Netherlands Government, and the opportunity provided by the Netherlands Government for opponents of the regime in Suriname to prepare subversive activites in the Netherlands.